

General Standard Conditions of Purchase

Emerson Process Management GmbH & Co. OHG

1. General - Scope

(i) Our conditions of purchase have exclusive validity; we do not accept conditions set by the Supplier that conflict with or deviate from or supplement our conditions of purchase, unless we have agreed to their validity expressly in writing. Our conditions of purchase are still valid if we unreservedly accept the Supplier's delivery knowing that the Supplier's conditions conflict with, deviate from or supplement our conditions of purchase. (ii) All agreements that are made between ourselves and the Supplier for the purpose of performing this contract are to be laid down in writing in this contract. (iii) Our conditions of purchase only apply to enterprises, legal entities under public law or public-law special funds. (iv) Our conditions of purchase also apply to all future business with the Supplier. (v) "Emerson Process Management Group" shall mean Buyer's affiliates for whose benefit the Goods and / or work are being purchased. The Buyer purchases the Goods on behalf of the Emerson Process Management Group.

2. Tender - Tender documents

(i) The Supplier is obligated to accept our order within a time limit of 2 weeks. The contract is concluded by acceptance of the Supplier. (ii) We reserve copyright and ownership rights on diagrams, drawings, calculations and other documents; these may not be made accessible to third parties without our express consent. They are to be used solely for manufacture on the basis of our order; after the order has been fulfilled they are to be returned to us unrequested. They are to be kept secret from third parties; in this respect Clause 13 Section (iv) applies in addition.

3. Prices - Terms of payment

(i) The price shown in the order is binding. However, the proviso under Clause 6 applies. In the absence of a written agreement to the contrary, the price includes delivery free of charge to the Buyer's address, including packaging. The delivery shall be made FCA. The return of the packaging requires special agreement. (ii) The statutory value-added tax is included in the price. (iii) The invoice is to be drawn up in triplicate. We can only process invoices if, in accordance with the specifications in our order, these carry the order number shown there. The Supplier is responsible for all consequences arising from non-compliance with this obligation, in so far as he is not able to demonstrate that he is not responsible for these consequences. (iv) After receipt of the goods and the invoice pursuant to the above conditions, the payment period shall commence on the first day of the following calendar month, with the payment period amounting to 2 calendar months and five days. The payment shall be effected on the 5th day of the aforementioned period. (v) We are entitled to rights of setting off and retention to the extent provided for by the law.

4. Delivery and Title

(i) The ownership of delivery items shall be transferred directly from the Supplier to the addressee of the delivery, as far as nothing else has been expressly agreed. Should the Buyer himself be the addressee of the delivery, then he functions solely as an agent for the owner. The ownership of delivery items passes over to the owner either upon delivery, upon provision of the delivery as per order or upon payment of instalments on the order price by the Buyer or the addressee of the delivery (the deciding factor is the process that takes place first). If the ownership of the delivery items has passed over to the owner stipulated in the contract before delivery, then the Supplier is to identify the delivery items clearly as third-party property. (ii) The delivery is to be made free of charge to the address indicated in the order or to the address indicated by the Buyer during the order process, provided nothing else is agreed in writing. The Supplier is obligated to state our purchase order number accurately on all shipping documents and delivery notes; should he omit to do this, then we cannot be held responsible for any delays in processing the order which are due to such omission. (iii) For international shipments, Supplier shall make the Goods available for export fully cleared from customs and shall arrange for delivery of the Goods to the consolidating hub or to Buyer's specified carrier's container yard at the port of shipment. Supplier shall obtain all necessary export licenses and authorisations, and shall assume responsibility for all fees and costs associated with export customs formalities and with getting the Goods ready for loading, including but not limited to customs clearance, container yard / container freight station, receiving, terminal handling and documentation fees. Supplier shall be responsible for the costs of checking operations, packaging and appropriate marking which are necessary for the purpose of delivering the Goods. Supplier shall provide, at Supplier's cost, the delivery order and / or usual transport document required for Buyer to take delivery of Goods. Supplier shall give Buyer sufficient notice of the dispatch of the Goods and any other notice necessary to take delivery of the Goods. Buyer shall pay for the costs of pre-shipment inspection except when such inspections are required by the country of export. Buyer shall obtain all necessary import licences and authorisations and shall assume responsibility for all fees and costs associated with import customs formalities, including but not limited to import clearance, duties and

administrative costs. (iv) With the exception of fees and costs associated with (I) export customs formalities, (II) getting Goods ready for loading, and (III) checking operations, packaging and appropriate marking of the Goods, Buyer is responsible for all costs for carriage / transportation from Supplier's facility to final destination. At Buyer's option and request, Supplier will prepay the carriage / transportation costs from Supplier's facility to port of export and add such costs to the Buyer's invoice. Otherwise, all carriage / transportation costs from Supplier's facility to final destination are freight collect. Notwithstanding the foregoing, Supplier is responsible for any costs, fees, expenses or penalties incurred as a result of Supplier's failure to hire a Buyer approved carrier without Buyer's prior written consent or to otherwise follow Buyer's instructions.

5. Delivery period

(i) The delivery period given in the order is binding. (ii) The Supplier is obligated to inform us immediately in writing if circumstances arise or become evident that could result in the stipulated delivery deadline not being kept. (iii) If the delivery period is not met, we will be fully entitled to the legal rights and claims.

6. Changes of the order

We may demand subsequent changes to the agreed scope of delivery or performance, whether in terms of quality or quantity, if special operational reasons call for such changes and if such changes are customary in the trade or can reasonably be expected of the Supplier. Should such changes on the part of the Buyer affect the basis of the price for a service scheduled in the contract, then a new price is to be agreed, taking into consideration the increase or reduction in costs. This agreement should be concluded before performance.

7. Non-assignment

The Supplier is not entitled to assign his accounts receivable from the Buyer without the latter's written consent. In the event of a valid assignment, the Buyer can, however, tender performance to the Supplier in accordance with § 354 a p.2 HGB [German Commercial Code], with discharging effect.

8. Liability for defects

(i) We will examine the goods within a reasonable period of time after delivery for any variations in quality, quantity and identity to such extent as this is appropriate in the ordinary course of business. Notices of defect shall be considered lodged in due time if made within a period of 5 working days, calculated from receipt of the goods or, in the case of hidden defects, from the time they are discovered. Dispatch of the notice in due time shall be sufficient for us to safeguard our rights. (ii) If the goods are defective, we shall remain fully entitled to the statutory rights and claims to rectification of defects or a replacement [Nacherfüllung], to rescission of contract or a reduction in price, as well as to damages or compensation for futile expenditure. If the Supplier fails to meet our justified demand for rectification of defects or a replacement within a reasonable period of time, we shall be entitled in cases of urgency to remedy the defect ourselves, or have third parties remedy the defect at the Supplier's cost. (iii) The Supplier guarantees that its deliveries and performances will not infringe any patents, utility models, trademarks, copyrights or other industrial property rights of third parties in Germany or any other country where the Supplier is aware that the deliveries and performances are to be used. The Supplier shall fully indemnify us from and against any claims, including the legal costs to defend such claims, made by third parties on the ground of an infringement of any such rights. Where this can be reasonably expected of us, we will immediately inform the Supplier of any claims made by third parties and shall not, without the Supplier's approval, enter into any agreements, above all settlements, or declare an acknowledgement. (iv) Except where the law demands a longer limitation period, rights and claims based on defects shall become time-barred on expiry of 24 months after delivery or, where necessary, after acceptance. Notwithstanding the aforesaid, rights and claims based on defects of title shall not become time-barred before expiry of 10 years after delivery or, where necessary, after acceptance.

9. Special duty of care and information

(i) If the Buyer has informed the Supplier about the purpose of the deliveries or services or if this purpose is evident to the Supplier without express indication, then the Supplier is obligated to inform the Buyer immediately if the former's deliveries or services are not suitable to fulfil this purpose. (ii) The Supplier has to ensure that the deliveries and services comply with the environmental protection, accident-prevention and other industrial safety regulations and the technical safety rules and meet all legal requirements applicable in the Federal Republic of Germany. With every delivery the Supplier has to refer the Buyer to any special treatment and disposal requirements that are not generally well-known.

10. Spare parts and readiness to deliver

(i) The Supplier is obligated to provide the Buyer with spare parts for the period of ordinary technical use, or at least 10 years after the last delivery, on reasonable terms. (ii) If the Supplier ceases supplying spare parts, then the Buyer is to be given the opportunity to make one final order.

11. Provision of security and liability insurance

(i) In order to cover all contractual warranty claims the Buyer can demand reasonable security from the Supplier until the warranty period expires. Provided nothing else was agreed, in paying the final invoice the Buyer can retain 5 % of the order value as interest-bearing security. The Supplier can avert this safeguard retention by providing a reasonable warranty bond. The safeguard retention is to be paid into a separate bank account. (ii) The Buyer can demand that the Supplier takes out liability insurance with adequate cover for the risk of damage.

12. Product liability - Indemnity - Liability insurance protection

(i) So far as the Supplier is responsible for any product damage, he is obligated upon first demand to release us from third parties' claims for damages, in so far as the cause lies within his power and organisational area and he assumes the rights and duties as to third parties. (ii) As part of his liability for cases of damage in the sense of Section (i) the Supplier is also obligated, in accordance with §§ 683, 670 BGB [German Civil Code] and §§ 830, 840, 426 BGB, to reimburse any expenses that result in or out of connection with any recall action that we carry out. As far as is possible and reasonable we shall inform the Supplier about the content and scope of the recall measures to be carried out and give him opportunity to state his view. All other legal claims remain unaffected. (iii) The Supplier undertakes to maintain extended product liability insurance with blanket coverage of EURO 10 million per personal damage / damage to property / pure financial loss; if we are entitled to further compensation claims, these remain unaffected.

13. Reservation of ownership - Provision of materials - Tools - Secrecy

(i) As far as we provide the Supplier with parts, the Emerson Process Management Group retain ownership of these. The Supplier shall carry out processing or restructuring for the Emerson Process Management Group. If conditional commodity in the possessive of the Emerson Process Management Group is processed with other objects that do not belong to the Emerson Process Management Group, then Emerson Process Management Group acquire co-ownership of the new item in the ratio of the value of the item (purchase price plus value-added tax) to that of the other processed objects at the time of processing. (ii) If the item provided by the Emerson Process Management Group is inseparably mixed with other objects that do not belong to the Emerson Process Management Group, then the Emerson Process Management Group acquire co-ownership of the new item in the ratio of the value of the conditional item (purchase price plus value-added tax) to that of the other mixed objects at the time of mixing. If the mixing is carried out in such a way that the supplier's item is to be regarded as the main item, then it is to be considered agreed that the Supplier shall transfer co-ownership to the Emerson Process Management Group proportionately. The Supplier shall hold the sole ownership or the co-ownership for the Emerson Process Management Group. (iii) We retain ownership of the tools. The Supplier is obligated to use the tools solely for the production of the goods ordered by us. The Supplier is obligated at his own cost to insure our tools for their reinstatement value against theft and damage by fire and water. At the same time the Supplier now assigns to us all compensation claims from this insurance and we hereby accept the assignment. The Supplier is obligated at his own cost to carry out any necessary servicing and inspection work and all maintenance and repair work on our tools in good time. He has to report any faults to us immediately. If he culpably omits to do this, then claims for damages remain unaffected. (iv) The Supplier is obligated to keep all diagrams, drawings, calculations and other documents and information received strictly secret. They may only be disclosed to third parties with our express consent. The obligation to maintain secrecy also applies after the contract has been processed. This obligation ceases to have effect if and in so far as the production information contained in the diagrams, drawings, calculations and other documents provided has become generally well-known.

14. Inspections and accelerating the process

At any point during the usual business times the Buyer and his representatives (the group of buyers) and the relevant public bodies are entitled to inspect or test the goods or work in the Supplier's plant or that of his subcontractor or his legal successor and to accelerate the implementation of the order by giving suitable advice. Inspections in the Supplier's plant and instructions to the Supplier's staff are only allowed with the latter's consent. The Supplier may only refuse this consent with good reason. The Supplier shall inform the Buyer in an appropriate way about tests that he and his subcontractors carry out on the work and that the group of buyers may participate in. The Supplier shall send the Buyer any test certificates that the latter requests. Such inspections and tests and / or the Buyer's presence at the tests shall not release the Supplier from his contractual duties. Such inspections and tests and / or the Buyer's presence at such tests do not constitute implied acceptance of the goods. The Supplier shall immediately inform the Buyer about any contact with the Buyer's customers, the Emerson Process Management Group, the end consumer and / or with official bodies in connection with this order. The

Supplier shall not follow their instructions until the Buyer has confirmed them in writing.

15. The Buyer's right to termination at will

The Buyer is authorised to terminate the order at any time, even without compelling reason. In this case the Buyer shall owe the Supplier the agreed remuneration less the expenses saved and less the advantages that the Supplier achieves through using the ordered services or work in another way (cf. § 649 BGB [German Civil Code]).

16. Taking possession of ordered goods

Should the Buyer's claim to performance by the Supplier be seriously jeopardised, the Buyer is, with the Supplier's consent, entitled to enter the latter's premises, take possession of the goods ordered and transport them away. Only for a compelling reason may the Supplier refuse to give the necessary consent.

17. Software

On the basis of the Supplier's express approval, the Buyer shall be granted a non-exclusive, worldwide licence, unlimited in time, to use all of the software supplied on the basis of this order. The Buyer shall be allowed to grant sublicences, particularly to his end customers. The Buyer shall not pay more than is agreed in the order for the use of the software on the scale described above. The Buyer (the Emerson Process Management Group) is entitled to copy the software for back-up and archiving purposes, to subject it to reversed engineering, to decompile it or to use and copy it in any other way within the framework of the applicable laws.

18. Observance of laws, ordinances etc.

18.1 Supplier, its sub-contractors and assignees and their personnel shall at all times comply with all applicable laws, regulations, codes and standards including but not limited to all health, safety and environmental laws and regulations such as (i) applicable product safety legislation (e.g. EU machinery directive 89/392/EEC, electromagnetic compatibility directive 89/336/EEC, low voltage directive 73/23/EEC); (ii) regulations regarding the provision of information about substances hazardous to health and (iii) all regulations imposed by, and relating to work (including security requirements) at the premises of Emerson Process Management Group, its customer and end user (as applicable). Supplier shall oblige its sub-contractors and assignees and their personnel to the same extent.

18.2 Supplier represents and warrants that at the date of formation of the Contract, all Goods are eligible for shipment to the destination, end use and end user as advised by Buyer in accordance with all applicable export control regulations including applicable U.S. regulations and orders, U.N. Security Council resolutions, regulations in force in Supplier's country and / or the country from which the Goods will be exported. Supplier further agrees that: (i) The Export Compliance Declaration completed by Supplier before formation of the Contract forms part of the Contract; (ii) Supplier will advise Buyer as soon as possible if any of the Goods cease to be eligible for shipment to the above destination; (iii) In the event that further items are added to the Contract, Supplier will evaluate their eligibility for shipment and either provide a new Export Compliance Declaration form or advise Buyer that they are not eligible for shipment.

18.3 Supplier is and remains solely responsible for the full compliance of delivered Goods or parts of Goods with any applicable rules and regulations ("Legislations") on restriction of hazardous substances ("RoHS") such as Directive 2002/95/EC as of 27 January 2003 ("EU RoHS"), the Administrative Measures on the Control of Pollution Caused by Electronic Information Goods as of 28 February 2006 ("China RoHS"), etc. and all further releases as well as all national or local regulations issued in execution of the aforesaid RoHS Legislations. Therefore all delivered Goods or parts of Goods must be suitable and fit for RoHS compliant production and sale. Supplier will complete and sign Buyer's standard Declaration of RoHS Compliance at the part number level, use appropriate systems and processes to ensure the accuracy of these determinations and maintain appropriate records to allow traceability of all products or parts of products. Insofar as products or parts of products are not supplied in accordance with the aforementioned requirements, Buyer reserves the right to cancel blanket or single orders at Supplier's expense. Supplier undertakes to duly and immediately inform Buyer of any changes affecting RoHS Compliance. In case of proven violations of national or international RoHS Compliance regulations by the Supplier, Supplier undertakes to exempt and hold Buyer harmless from any claim, liability, loss, damage, judgment and external responsibility, irrespective their legal ground, and to bear any and all harm, loss or damage arising to Buyer's disadvantage in the event of infringement.

18.4 To the extent required by applicable law, Supplier shall be responsible for the collection, treatment, recovery or disposal of (i) the Goods or any part thereof when they are deemed by law to be 'waste' and (ii) any items for which the Goods or any part thereof are replacements. If Supplier is required by applicable law, including waste electrical and electronic equipment legislation, European Directive 2002/96/EC (WEEE) and related legislation in EU Member States, to dispose of 'waste' Goods or any part thereof, Supplier shall dispose of such Goods entirely at its own cost (including all handling and transportation costs).

18.5 Supplier shall comply with all applicable anti-corruption, anti-money laundering and anti-terrorism laws, including but not limited to those of the United States, the Supplier's country, the Buyer's country and the country which is the end-destination of the Goods and / or in which work is to be performed by Supplier, and all intermediate countries ("Relevant Laws") and represents and warrants that it has not and will not in any way breach(ed) any Relevant Laws whether in relation to this order or otherwise. Supplier's acceptance of the order shall be deemed to be certification by Supplier of compliance with all Relevant Laws.

18.6 Supplier shall forthwith implement and maintain an effective program of compliance with Relevant Laws satisfactory to Buyer, that includes: (i) adoption of a code of conduct or "code of ethics" ("Supplier's Code"); (ii) implementation of a system of internal accounting controls and a system designed to enable the making and keeping of accurate books, records and accounts that satisfy the requirements of the Supplier's Code and Relevant Laws; (iii) establishment of procedures to ensure compliance with the Supplier's Code and with Relevant Laws; (iv) implementation of a program of training and education concerning compliance with the Supplier's Code and Relevant Laws; (v) implementation of a program of internal review and audit of compliance; (vi) implementation of a system for the reporting of violations of the Supplier's Code and Relevant Laws; and (vii) implementation of a procedure for disciplining employees who violate the Supplier's Code or Relevant Laws. Buyer shall be entitled either itself or by employing a third party, to audit such program of compliance during normal working hours, subject only to reasonable notice having been given and subject to the execution by Buyer or the third party of a suitable non-disclosure agreement.

18.7 Supplier's compliance with the requirements of this Clause 18 shall be of the essence of the order and any not insignificant default under this Clause 18 shall constitute a material breach of the order.

18.8 Supplier is and remains solely responsible for the full compliance of delivered products, parts of products or substances with the requirements of Regulation (EC) No. 1907/2006 (REACH) as of 18 December 2006 as amended or varied and all further releases as well as any national regulations issued in execution of this Regulation. Supplier guarantees that all obligations under this Regulation, in particular all information requirements vis-à-vis Buyer, have been fulfilled. This includes in particular the provision of a due and comprehensive safety data sheet in accordance with the Regulation. Insofar as products, parts of products or substances are not supplied in accordance with the aforementioned requirements, Buyer reserves the right to cancel blanket or single orders. Supplier undertakes to duly and immediately inform Buyer of any changes affecting REACH compliance. In case of cancellation of blanket or single orders or proven violations of national or international REACH compliance regulations by the Supplier, Supplier undertakes to exempt and hold Buyer harmless from any claim, liability, loss, damage, judgment and external responsibility, irrespective of their legal ground, and to bear any and all harm, loss or damage arising to Buyer's disadvantage in the event of infringement.

18.9 The Supplier shall comply with all International Plant Protection Convention ("IPPC") regulations on solid wood packaging material ("SWPM") as outlined in ISPM-15 and elsewhere. Supplier shall ensure, and provide appropriate certification, that all SWPM shall be marked with the IPPC logo, country code, the number assigned by the natural plant protection organization and the IPPC treatment code.

19. Place of jurisdiction - Place of fulfilment - Applicable law

(i) Provided the Supplier is a merchant [Kaufmann], our place of business is the place of jurisdiction. However, we are entitled to take legal action against the Supplier under the jurisdiction of his place of residence, too. (ii) Provided nothing else is shown on the order, our place of business is the place of fulfilment. (iii) The laws of the Federal Republic of Germany apply. The United Nations convention of 11.4.1980 on the international sale of goods does not apply.

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