

GENERAL TERMS & CONDITIONS OF SALE

1. GENERAL

1.1 The following conditions of delivery and payment together with the "Incoterms 2000" set down by the International Chamber of Commerce shall be exclusively binding for business relations with our customers when deliveries of our products are made. They shall be considered as accepted by the purchaser unless immediately repudiated by him in writing. No alterations to the terms of this contract shall be binding upon the seller unless, and until, confirmed by him in writing. Verbal agreements shall only be binding for both parties if they are confirmed in writing.

2. BASIS OF PURCHASE

2.1 Conditions of purchase contained on the Customer's order forms and any other conditions which the Customer may seek to impose which are at variance with or additional to these Conditions are not binding upon Airfilter Engineering unless specifically accepted in writing.

2.2 The employees or agents of Airfilter Engineering are not authorised to make any representations concerning the Goods unless confirmed by Airfilter Engineering in writing. In entering into the Contract the Customer acknowledges that it does not rely on, and waives any claim for breach of, any such representations which are not so confirmed.

2.3 No order which has been accepted by Airfilter Engineering may be cancelled by the Customer except with the agreement in writing of Airfilter Engineering and on terms that the Customer shall indemnify Airfilter Engineering in full against all loss as a result of cancellation.

3. PRICES

3.1 On delivery, the invoice shall contain the prices and currencies stipulated in the respective contract.

4. DELIVERY

4.1 Time not of essence. Although given in good faith, times quoted for the delivery of Goods are intended as estimates only and are not therefore to be treated as the essence of the Contract. Accordingly Airfilter Engineering shall not be liable in any way for any direct or indirect loss damage or expense (including loss of profits and liability to third parties) which

may be suffered by the Customer in consequence of late despatch or delivery from whatever cause.

4.2 Force Majeure. Airfilter Engineering shall not be liable for failure to deliver Goods or to do so promptly if such failure is caused by strikes, riots, lock-outs or other labour trouble, war, fire, accident, mechanical failure, non-availability or delay in delivery to Airfilter Engineering of supplies of goods or parts or materials, government action, legalisation or regulation of any kind Act of God or any circumstances whatsoever outside our reasonable control and such delay or failure to deliver such Goods shall not affect the obligations of the Customer to pay for Goods already delivered.

4.3 Instalments. Airfilter Engineering reserves the right to deliver the Goods in partial shipments and each delivery shall constitute a separate contract. Failure by Airfilter Engineering to deliver any one or more instalment in accordance with these Conditions or any claim by the Customer in respect of any one or more instalment shall not entitle the Customer to treat the Contract as a whole as repudiated.

4.4 Storage. If the Customer does not supply adequate delivery instructions within 14 days after notification that the Goods are ready for dispatch Airfilter Engineering shall be entitled to arrange storage either at our own works or elsewhere and all reasonable charges for storage, insurance or demurrage shall be payable by the Customer. PROVIDED THAT nothing in this condition shall operate to relieve the Customer from making payment for the Goods ordered.

4.5 No claim for damage in transit, shortage of delivery or loss of goods will be entertained unless in such case, a separate notice in writing is given to the carrier concerned and to the seller promptly but latest within 3 days of the receipt of goods, followed by a complete claim in writing within 7 days of receipt of goods. Where goods are accepted from the carrier concerned without being checked, the delivery book of the carrier concerned must be signed, "not examined". Depending upon the terms of delivery, claims must be directed either to the carriers, the insurers or Airfilter Engineering.

5. TERMS OF DELIVERY

5.1 Airfilter Engineering may agree with the customer on different delivery terms. The standard delivery terms shall be ex-factory Airfilter Engineering unless otherwise stated and agreed upon. Risk to the goods shall pass to the customer according to the delivery terms applied.

6. WARRANTIES AND LIABILITY

6.1 Airfilter Engineering warrants that the Goods will correspond with the current Specification (including any tolerances) for the Goods published by Airfilter Engineering at the time of dispatch and will be free from defect in material and workmanship.

6.2 The above warranty is given by Airfilter Engineering subject to the following conditions:

6.2.1 Airfilter Engineering shall be under no liability in respect of any defect arising from any drawing, design or specification supplied by the Customer.

6.2.2 Airfilter Engineering shall be under no liability in respect of any defect arising from fair wear and tear, wilful damage, negligence, abnormal working conditions, failure to follow our instructions (whether oral or in writing), misuse or alteration or repair of the Goods without our approval.

6.2.3 Airfilter Engineering shall be under no liability under the above warranty (or any other warranty, condition or guarantee) if the total price for the Goods has not been paid by the due date for payment.

6.3 Any claim by the Customer which is based on any defect in the quality or condition of the Goods or their failure to correspond with specification shall be notified to Airfilter Engineering within 7 days from the date of delivery or (where the defect or failure was not apparent on reasonable inspection) within a reasonable time after discovery of the defect or failure.

6.4 Where any valid claim in respect of any of the Goods which is based on any defect in the quality or condition of the Goods or their failure to meet specification is notified to Airfilter Engineering in accordance with these Conditions, Airfilter Engineering shall be entitled to replace the Goods (or the part in question) free of charge, or, at Airfilter Engineering's sole discretion, refund to the Customer the price of the Goods (or a proportionate part of the price), but Airfilter Engineering shall have no further liability to the Customer. If it should be found necessary with Airfilter Engineering's agreement in writing to effect any repair or replacement using labour and materials other than Airfilter Engineering's own, then Airfilter Engineering's responsibility shall be limited to the costs and expenses which would have been incurred if the work had been carried out at Airfilter Engineering's works.

7. DRAWINGS AND INFORMATION

7.1 The Customer acknowledges that drawings and other documents and information furnished by Airfilter Engineering are disclosed in confidence and that the copyright and property in the same is and shall remain the property of Airfilter Engineering (or that of the Airfilter Engineering supplier as the case may be) and the Customer shall not without prior written consent (and where appropriate, that of the copyright owner) alter such drawings or information in any way, make further copies of such drawings or information for any purpose other than that for which they are provided. The Customer agrees that such drawings, documents and information shall be returned to Airfilter Engineering forthwith upon request.

8. PAYMENT

8.1 Payment of the price shall be made in accordance with the payment conditions. Interest at the rate of 1% per month on overdue account shall be charged to the purchaser and such charge shall not be construed as the seller having granted an extension of time for payments to the purchaser.

8.2 In the event that the Customer fails to make payment for the Goods on the due date or otherwise commits a breach of these conditions Airfilter Engineering may in its absolute discretion and without prejudice to any other rights which Airfilter Engineering may have:

8.2.1 Suspend all future deliveries to the Customer under the contract or under any other contract and/or terminate any such contract without liability upon our part.

8.2.2 Require payment in advance for any future deliveries.

9. RIGHT OF PROPERTY

9.1 The goods supplied shall remain the seller's property until all outstanding claims have been settled. This right of property shall also apply to resold goods. The purchaser shall be entitled to dispose of the goods within the ordinary course of business. All other dispositions, especially bailments, disposals, security bills or transfers by exchange shall not be allowed. Attachments made by third parties shall be reported immediately.

9.2 If the purchaser shall default or commit a breach of the contract or of any other of his obligations to the seller, or if any distress or execution shall be levied upon the purchaser's property or assets, or if the purchaser shall make or offer to make any arrangement or composition with creditors, or commit any act of bankruptcy, or if any petition or receiving order in bankruptcy shall be presented or made against him, or if the purchaser is a limited company and any resolution or petition to wind up such company's business (other than for the purpose

of amalgamation or reconstruction) shall be passed or presented, or if a receiver of such company's undertaking, property or assets or any part thereof shall be appointed, the seller shall have the right forthwith to determine any contract then subsisting and upon written notice of such determination being posted to the purchaser's last known address any subsisting contracts shall be deemed to have been determined without prejudice to any claim or right the seller may otherwise make or exercise.

10. This Contract shall be governed by the laws of Malaysia and any dispute arising under or in connection with these conditions or the sale of the Goods shall be subject to the jurisdiction of the Malaysian courts.

PRODUCT WARRANTY

AIRFILTER ENGINEERING (AFE) warrants that their products shall, when properly handled, installed, operated, applied and maintained in accordance with procedures and recommendations outlined in the products' Installation, Operation and Maintenance manuals, be free from defect in materials and workmanship for the respective periods as mentioned below, provided such defect is discovered and brought to AFE's attention within the warranty period.

1. FILTER ELEMENTS

AFE warrants the material and workmanship of their elements for twelve (12) months from the date of invoice under correct applications in non-aggressive compressed air and environment at normal operating flow within the conditions specified in the AFE's brochure and manual. This warranty is limited to only replacement of the product itself.

2. FILTER HOUSINGS

AFE warrants the material and workmanship of their filter housings for ten (10) years from the date of invoice under correct applications in non-aggressive compressed air and environment at normal operating flow within the conditions specified in the AFE brochure and manual. This warranty is limited to only replacement of the product itself.

3. GENERAL

Any service performed on the product by any person other than AFE or their authorized dealers or distributors, or the usage of parts not approved by AFE, voids this warranty. Any incidental charges or consequential losses are not covered under this warranty. Damages to the products resulting from misuse, mishandling, abuse, neglect, accident, transportation or storage are also not covered under this warranty.

AFE reserves the rights to make any changes or improvements in design, parts or manufacture without prior notice and without incurring any obligation to change or improve products manufactured prior hereto.