



# Distributor Operating Manual

**Engineered  
Systems  
Group**

[www.flofab.com](http://www.flofab.com)

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# ABBREVIATIONS



BAA	Buy American Act
B/G	Bank Guarantee
CCD	Credit Control Department
CFR	Cost and Freight
CPT	Carriage Paid To
CSD	Customer Service Department
DN	Delivery Note
DO	Delivery Order
DTP	Distribution Transfer Price
EAR	Export Administration Regulation
ECF	Export Clearance Form
E EI	Electronic Export Information
EOF	Equipment Order Form
ESG	Engineered System Group
EXW	Ex-Works
FCR	Forwarder's Certificate of Receipt
FOB	Freight on Board
IBL	Inland bills of Lading
L/C	Letter of Credit
MLP	Master List Price
OAI	Order Administration Instruction
PASOD	Pre-Approval Sale Oder for Distributor
SED	Shipper Export Declaration
TCN	Truck Consignment Note



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# **Section 1**

**Ethics Policy**

## **Distributor Operating Manual**

**Building Efficiency  
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# Flo Fab Ethics Policy

## 1.01 ETHICS POLICY

### 1.02 PURPOSE

Our ethics policy is designed to provide guidance as to what practices are appropriate for Flo Fab employees around the world. It delineates how we will treat each other with dignity and respect, and it charges each one of us with the responsibility to be a steward of our company culture. It encompasses our relationship with our customers and business partners, the communities in which we live, work and travel, and requires us to work toward a cleaner environment. The text of Flo Fab ethics policy is reproduced here for purposes of information.

### 1.03 OUR VALUES

While our Vision has changed, our values have not. Flo Fab values have been a key source of our strength and have shaped our culture for more than 35 years. We have updated their expression to ensure they remain relevant, but their fundamental message remains the same.



#### **Integrity**

Honesty, fairness, respect and safety are of the utmost importance.



#### **Customer satisfaction**

Our future depends on us helping to make our customers successful. We are proactive and easy to do business with. We offer expert knowledge and practical solutions, and we deliver on our promises.



#### **Employee engagement**

We foster a culture that promotes excellent performance, teamwork, inclusion, leadership and growth.



#### **Innovation**

We believe there is always a better way. We encourage change and seek the opportunity it brings.



#### **Sustainability**

Through our products, services, operations and community involvement, we promote the efficient use of resources to benefit all people and the world.

## 1.04 EMPLOYEES AND OTHER TEAM MEMBERS

### **Our Ethics Policy applies equally to all**

The Ethics Policy applies to everyone at Flo Fab—including the Board of Directors, company officers, employees, agents and contract workers.

#### **Here's how you can help:**

- Any violation of the Ethics Policy must be reported to Flo Fab  
Flo Fab will not tolerate threats or retaliation against anyone who makes a good-faith report of a possible Ethics Policy violation.
- Ensuring Compliance and Accountability

- Employees are expected to follow the Ethics Policy and assist their fellow employees and Flo Fab partners in understanding and complying with the Ethics Policy.
- Supervisors will help make their employees aware of the Ethics Policy's importance and requirements, and help implement programs and procedures to promote "integrity every day."
- Supervisors are responsible for helping their team members comply with the Ethics Policy's requirements and its spirit.



### **We safeguard the health and safety of our global team members.**

**Applying the Principle;** It is essential that our employees work in healthy and safe environments.

#### **Here's how you can help:**

- Always follow safety procedures and guidelines.
- Understand and follow the safety policies and procedures related to employees' work.
- Regularly look for ways to improve workplace safety.
- Do your best to avoid accidents and to help others avoid them.
- Report all accidents, near misses and safety issues.
- Help create a physically and emotionally safe work place.
- Do not commit or permit violence.
- We do not tolerate violent behavior, threats to people or property, or physical intimidation or coercion.
- Never be under the influence of drugs or alcohol at work.
- At work, employee must remain free from the influence of illegal drugs, alcohol or any substances that may impair your ability to work safely and effectively.
- Employees must cooperate with any legal company searches of employee or his/her workplace for alcohol or illicit drugs.
- Report team members who work under the influence of alcohol or other substances that may impair their ability to work safely and effectively.

### **We are inclusive, value diversity and support team members in realizing their potential.**

**Applying the Principle;** Flo Fab provides equal opportunity in hiring, salary, benefits, advancement, discipline, termination and retirement.

#### **Here's how you can help:**

- Respect equal opportunity.
- Focus on the value that people add. We do not discriminate on the basis of race, gender, sexual orientation, age, pregnancy, caste, disability, union membership, ethnicity, religious beliefs or any other factors protected by law.
- Oppose harassment.
- Do not tolerate physical or mental harassment or any other harmful behavior.
- Harassment includes language or conduct that others may find derogatory, intimidating or offensive.
- Immediately report all incidents of harassment to your supervisor or Human Resources.

### **We protect the privacy of team members.**

**Applying the Principle;** We use employee data only to support Flo Fab operations and to provide employee benefits. We have safeguards to protect personal

data; we limit data access to employees who need it for business purposes; and we follow local data protection and privacy laws.

#### **Here's how you can help:**

- Follow data protection policies.
- Employees are required to follow Flo Fab policies to protect data and privacy. If they don't understand a policy or procedure, they are responsible for getting an explanation.
- Be careful not to breach privacy.
- Make sure employee don't disclose personal data by accessing or sending it.
- Gather only the information employee need for his/her work.
- Unless employee have authorization, he/she may not access any system or database containing private information, such as employee or personnel records, customer forms, e-mail, or your co-workers' personal messages.

### **We respect freedom of association and obey all laws on working hours and compensation.**

**Applying the Principle;** Every employee has the right of association, working hours consistent with local laws, and fair compensation at the workplace.

#### **Here's how you can help:**

- We respect the right to organize and bargain collectively.
- We give workers' representatives the access necessary to carry out their required functions.
- We do not discriminate against workers' representatives.
- Our team members work within the limits established by law.
- When circumstances require employees to work beyond normal hours, we provide benefits or overtime compensation as required by law.
- You will receive at least the legally required minimum wage or the prevailing industry wage, whichever is higher.
- Flo Fab will give you full details on payroll deductions for taxes and benefits.
- Flo Fab compensation and benefits are designed to enable our employees to meet their basic needs, and provide them the opportunity to improve their skills and capabilities.

## 1.05 COMPANY AND SHAREHOLDERS

### **We obey the laws, rules and regulations of all countries where we conduct business.**



**Applying the Principle;** As a global company, Johnson Controls must follow the laws and regulations of each country in which it operates.

**Here's what you can do to help:**

- Follow Flo Fab policies and procedures.
- Our policies reflect the laws of the countries where we do business, and they're often more demanding than some laws require.
- Follow the laws that apply to the employee work.
- If employees are not sure which laws apply, or they think the laws of two or more countries conflict, ask members of the Legal Department for help right away.
- Report any known or possible violations of the law by Flo Fab employees or its business partners to their supervisor, another supervisor, Human Resources, the Legal Department, or, where permissible, the Integrity Helpline.

**We protect Flo Fab confidential information and respect that of our competitors.**

**Applying the Principle;** Sharing the company's confidential information is not allowed.

**Here's how you can help:**

- Protect confidential information about Flo Fab products, activities, performance and plans.
- Disclose confidential information only on a "need-to-know" basis, even with other Flo Fab employees.
- Never disclose confidential information outside of Flo Fab unless employee already have a non-disclosure agreement or a confidentiality agreement approved by the Flo Fab Legal Department.
- Secure confidential information where others cannot see when employee is not reviewing it.
- Report all suspected breaches of confidentiality.
- Protect third-party, non-public information.
- Do not seek or receive competitors' trade secrets or confidential information unless the disclosure is covered by a non-disclosure or confidentiality agreement approved by the Legal Department.
- We compete fairly and honestly. Do not use illegal or unethical means to learn a competitor's confidential information.
- If employees have non-public, confidential information from previous employment with a competitor, then they must continue to keep that information confidential, even from Flo Fab
- Protect Flo Fab confidential information.
- Safeguard all intellectual property, including copyrights, patents, licenses, trademarks and other trade secrets.
- Protect all Flo Fab confidential information even after employee stop working with Flo Fab

**We act in Flo Fab best interests and spend its money solely for Flo Fab business purposes.**

**Applying the Principle;** employee may not give or receive anything of monetary value to influence business judgment unduly, or use Flo Fab information, property or authority for personal gain.

**Here's how you can help:**

- Think only of Flo Fab best long-term interests in making business decisions.
- Do not seek or receive personal economic gain, beyond your normal company pay, for being a Flo Fab director, officer, employee, agent or contract worker.
- Disclose to employee's supervisor any situation in which his/her family, friends or business associates might profit based on their relationship with them.
- Report financial interests employee and his/her family have in entities that do business with Flo Fab.
- Seek Legal Department guidance before beginning any discussions on hiring government officials or their family members.
- Do not pursue any business opportunity employee discovers through your association with Flo Fab for personal gain or the gain of any entity other than Flo Fab
- Do not work for a customer, supplier or competitor of Flo Fab while Flo Fab employs people.
- Do not engage in insider trading. If employees have valuable information about a company that has not been made public, they may not buy or sell that company's stock.
- Think about how it will appear if employees accept gifts or entertainment from suppliers, customers, agents or others wanting to do business with Flo Fab.
- Whenever possible, seek guidance before giving or receiving things of value. If you personally accept something of more than minimal value, you must keep a record of it and report it promptly to their supervisor.
- Use company funds prudently.
- Employees are personally accountable for their use of company funds in any form.
- Make sure Flo Fab receives full value for spending employees authorize.
- Executive officers must immediately disclose to the Audit Committee any material transaction or relationship that may reasonably result in a conflict of interest.

**We are committed to providing safe, quality products and services. We address and do not hide risks and mistakes.**

**Applying the Principle;** The Ethics Policy includes our commitment to providing safe and quality products, services and solutions.

**Here's how you can help:**

- Employees should immediately contact quality management personnel or their supervisor if they believe there is:



- Any deficiency in product design, safety, installation, or maintenance that threatens anyone's health or safety.
- Anything that may harm the quality of our products or services.
- Anything that may harm Flo Fab reputation.
- Anything that may harm Flo Fab financial interests.

**We use Flo Fab assets such as e-mail, Internet access, telephones and computers responsibly and honorably.**

**Applying the Principle;** Flo Fab computing resources should be used for company purposes.

**Here's how you can help:**

- Use electronic media properly.
- Information on company computer systems, including e-mail and other Internet-related systems, is the property of Flo Fab, to be used for company business.
- Do not use company resources to offend, harass or threaten others or to access or store illegal or generally offensive material.
- While employees are at work or using a company computer or mobile device, they should not visit Internet sites with offensive content related to sex, race, religion or other protected categories.
- Do not use company resources to reproduce, display, distribute, or store materials that violate any party's trademark, copyright, licensing or other intellectual property rights.
- Use assets such as company vehicles properly and legally, for company purposes.

**We do not tolerate, and we actively oppose, corruption in our businesses.**

**Applying the Principle;** We win business with the integrity of our products, services and personal character. We do not seek business by trying to corrupt the judgment of our customers. We do not tolerate any bribery of private or of public persons. We neither provide nor receive lavish or extravagant gifts.

**Here's how you can help:**

- Do not offer, pay, give or promise any favor, service, entertainment, meal, gift or other thing of value to any private or governmental customer to get business, or to any government or political official or their family members to get preferential treatment for Johnson Controls.
- Before employees make a gift or offer, ensure that the value of the gift would not reasonably be seen as an attempt to influence an official decision. They should talk with the Legal Department to see if the recipient is considered a "government official." Get the Legal Department's approval before they act.

- Do not offer employment, benefits or other profitable opportunities to government officials or to private citizens who have authority over Flo Fab without first consulting with the Legal Department.
- Obey all local anti-corruption and bribery laws.
- Accurately record in Flo Fab books all of employees transactions including their expenses and any gifts or entertainment they provide.
- Do not associate with business partners who engage in corrupt practices.
- Regularly screen business partners and stop working with them if you reasonably suspect corruption.
- Do not provide gifts, entertainment or other favors to a union representative without consulting the Legal Department.

**We ensure our books and records are accurate, complete and maintained according to the law and industry best practices.**

**Applying the Principle;** Keep trustworthy books, accounts and records.

**Here's how you can help:**

- Company books and records must be complete, accurate and reliable, following Generally Accepted Accounting Principles.
- Be precise and complete when you record transactions.
- Don't make false or misleading entries, or omit or conceal required information such as the payment amount or its actual purpose.
- Follow laws, regulations, industry standards and company policies when employees produce, store or destroy records and documents.
- Don't keep hidden or unrecorded funds, accounts or assets.
- Anyone who falsifies, hides or manipulates records, faces disciplinary action, termination and personal liability.
- If employees find errors, or can't reconcile an account, notify management so the account can be corrected.
- Follow the law and Johnson Controls policies on document and record retention.
- When destroying records or documents, follow procedures required by local law and Johnson Controls document retention policies.

1.06 OUR CUSTOMERS, COMPETITORS AND SUPPLIERS

**We believe in vigorous competition and do not use illegal or unethical means to gain an advantage over a competitor.**

**Applying the Principle;** Using illegal or unethical means to obtain competitive advantage is prohibited.





#### Here's how you can help:

- Follow all antitrust and competition laws in countries where Flo Fab operates.
- Do not join Flo Fab competitors or business partners in agreements or understandings that limit competition.
- For example, do not agree to fix prices; rig bids; divide up products, territories, customers or markets; or limit production or sale of products.
- Do not make false, baseless, or misleading remarks about Flo Fab, its competitors or their products.

## 1.07 THE PUBLIC AND OUR COMMUNITIES

### We comply with international trade laws.

**Applying the Principle;** follow the trade laws of all countries where Flo Fab conducts business, including laws concerning:

- Importing or exporting specific goods, services or technology.
- Prohibiting transactions with specific countries, entities or people.
- Participating in international boycotts.
- Government approval, licenses or other requirements necessary to complete a transaction or sale.
- Product labeling.

#### Here's how you can help:

- Keep accurate records of all international transactions.
- Follow all Flo Fab policies and processes when selling and shipping products to other countries or when importing anything.
- Make efforts to ensure customers, business partners, vendors, service providers, agents, consultants and distributors follow Flo Fab policies and procedures.
- Engage companies and business partners who agree to obey international trade laws.

### We believe that what's good for the environment is good for Flo Fab

**Applying the Principle;** Flo Fab products, services and manufacturing methods reflect our long tradition of caring for the environment.

#### Here's how you can help:

- Follow environmental law and regulations, as well as Flo Fab policies for protecting the environment.
- Follow environmentally responsible practices such as waste management, source reduction, recycling and energy conservation.
- Work to minimize toxic and greenhouse gas emissions.

- Use and produce environmentally friendly products, and address community concerns about the environment.

### We strictly limit the use of company resources to support political campaigns or causes.

**Applying the Principle;** Generally, Flo Fab does not get involved in political campaigns or political issues. Decisions on whether the company will support a political candidate or issue must be made at a high level within Flo Fab.

#### Here's how you can help:

- Never offer contributions, payments or anything of value from Flo Fab to government officials or political candidates with the intent to influence them or gain an improper advantage for the company.
- Always get Legal Department approval before offering or using any Flo Fab funds, services or other resources to support any official, political organization or candidate.
- Document accurately in Flo Fab records any donation or contribution to any campaign, political organization or candidate.

### We communicate accurately with the public.

**Applying the Principle;** We ensure our communications are truthful and accurate. We do not release misleading information.

#### Here's how you can help:

- Take care when discussing Flo Fab outside the company—in public places, with friends and family, with the media and on the Internet, in public forums, blogs and social networking sites.
- Never disclose private company information without prior and proper authorization.
- Neither say nor imply that employees represent the company unless they are authorized to do so.
- Only those expressly authorized by the Communications Department may speak on behalf of Flo Fab.
- Those who are authorized to speak for Flo Fab must provide accurate information to the public and should avoid speculating.

### To make an ethical decision, ask yourself these questions:

1. Is it the proper action?
2. Is it legal?
3. Does it follow Flo Fab policies and procedures?
4. Will I feel proud of my decisions and actions?
5. Will my family and friends feel proud of my decisions and actions?
6. Will my colleagues, managers and company leadership be pleased with my decision?



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# **Section 2**

## **Pricing Policy**

# **Distributor Operating Manual**

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# Pricing Policy

## 2.01 PRICING POLICY

### 2.02 PURPOSE

This distributor pricing policy is designed to assist the distributor as follows :

- Identifying competitive pricing needs in each market.
- Enhance the ability of Flo Fab distributors to plan their respective inventory levels, cash flow requirements and promotional accruals.
- Reduce the reliance on Flo Fab marketing support for preparing quotations.

This policy is designed to provide the distributor with Master List Prices (MLP's) for each product category/model. The distributor will have access to the MLP through the selection software which generates MLP as per the component selected for each quote. It is important for the distributor to use the latest selection software to which is referred in the Distributor Transfer Price Multiplier (DTP) sheet. The distributor is responsible for generating their own selling price structure to meet the demands of their respective markets and Customer/Dealer requirements. It is essential that each distributor targets a mix of high margin business with low margin business to attain their plan volume and gross margin. This will be required for achieving the annual pre-agreed product volume and value plans.

The distributor will purchase equipment based on MLP's and corresponding DTP multipliers for each product category/model of equipment.

*MLP's and/or DTP's may change periodically. Flo Fab will issue DTP multipliers whenever there is update on pricing for any product.*

The MLP's and DTP multipliers for ESG Equipment will be mailed separately by the respective account manager, country manager or regional manager.

### 2.03 SUGGESTED MINIMUM PROFIT MARGIN

All distributors have to maintain at least 5% profit margin when selling ESG products. Selling products below 5% MSP is not permitted without a written approval from the Middle East marketing group. Minimum profit margin will guide distributors to making reasonable margins and ensure correct positioning of York branded products.



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# **Section 3**

## **Freight Policy**

# **Distributor Operating Manual**

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# Flo Fab Freight Policy

## 3.01 FREIGHT POLICY

### 3.02 PURPOSE

To provide details of product containerization and freight to minimize shipping costs.

### 3.03 SHIPMENTS

When ordering a mix of different models and types of units, please contact the Flo Fab Middle East Customer Service department for their recommendations on optimizing container(s).

The final containerization will be provided by the factory upon receipt of a purchase order.

Shipments from the different factories will be in accordance with generally accepted incoterms terminology in suitable containers. Distributors may obtain quotations for FOB/ CFR and number of containers from our customer service department, Dubai prior to placing their orders.

### 3.04 CAVEATS

- Freight rates that might be provided to distributors from time to time are only indicative in nature. While, Flo Fab will endeavor to adhere to the published rates, the actual levies are subject to the vagaries of the shipping industry and may change without prior notice.
- Please note that freight quotes are valid for a specific period. If actual shipment is effected after this validity period (for any reasons whatsoever), you are requested to get the quote(s) re-validated or revised from the relevant CSD personnel.
- The distributor has the choice to use Flo Fab freight forwarder or use their own freight forwarder.

For equipment complying with Buy American Act (BAA), the final manufactured product will be shipped from the United States.



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# **Section 4**

**Equipment Order Policy**

## **Distributor Operating Manual**

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# Flo Fab Equipment Order Policy

## 4.01 EQUIPMENT ORDER POLICY

### 4.02 PURPOSE

To provide accurate and timely order data entry that can be used for placing orders on the Flo Fab factories.

### 4.03 ORDER TYPES

Two types of orders are addressed in this policy. Orders against annual sales plan and EX Stock orders from Flo Fab local stocks held in Al Quoz, Dubai, or Jebel Ali Free Zone warehouses.

#### Orders Against Annual Sales Plan

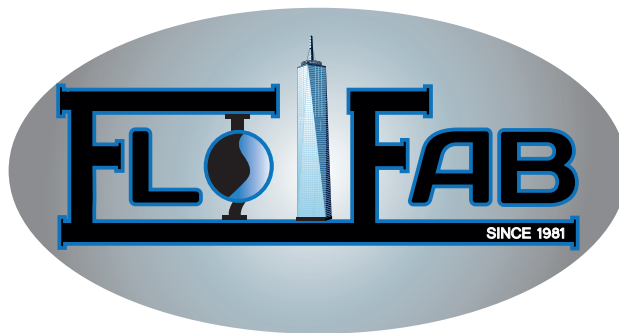
Orders need to be placed to the designated ESG account manager and follow the order processing procedure described in section 5.04. Delivery date will be confirmed upon receiving the order by factory.

Lead time could vary depends on the product and season.

#### EX - Stock Orders

Orders of equipment from Flo Fab Al Quoz and Jebel Ali warehouses Orders will only be accepted if the required equipment is physically available in the warehouse. Orders will be received and processed on a "first come, first served" basis.

Reservations against local stocks will NOT be accepted without an official purchase order.



## Equipment Order Policy

### 4.04 ORDER PROCESSING

#### 1. Order Administration Instructions (OAI)/ Equipment Order Form (EOF)

Distributor purchase orders must be supplied with an Order Administration Instruction sheet and Equipment Order Form. Copies of OAI (pertaining to different sources) and examples of Equipment Order Form are attached in the annexure at the end of this section. Please confirm with your account manager the actual forms to be used.

All OAI's must be sent electronically to the respective ESG account manager for verification and approval. Upon approval, a duly signed copy of the OAI will be forwarded to the Customer Service Department in Dubai U.A.E.

#### 2. Master List Price (MLP) and Distributor Transfer Price (DTP)

If the approved MLP and DTP are used then the Account Manager is authorized to forward the order, EOF and OAI to Customer Services Department, Dubai. However, if a different MLP and/or DTP is used then special approval MUST be taken from the country / regional manager and the respective Regional Business Manager.

#### 3. US Export Control Process

Flo Fab and all its subsidiaries, including international locations, are required to comply with various United States laws governing export of materials. This is in keeping with the Bureau of Export Administration's Export Administration Regulations (EAR) effective December 31, 1996 {sections 15 C.F.R. 730 through 15 C.F.R.774} as may be in effect at the time of each transaction, in respect of the following areas:

- The U.S. Department of Commerce and Department of State lists of denied persons
- The Office of Foreign Assets Control lists of Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Narcotics Traffickers, Foreign Terrorist Organizations, Federal Republic of Yugoslavia (Serbia & Montenegro), Libyan & Iraqi government officials and North Korean financial institutions.
- The list of embargoed countries: United States government maintains trade embargoes against the countries of Iran, Sudan and Syria in the Middle East and the countries of Cuba, Myanmar (Burma) and North Korea globally. Flo Fab and all its subsidiaries are prohibited from participating in any transaction that will result in its products reaching any of these embargoed countries either directly or through its Customers, Distributors or End-users.
- In addition to the above, the United States Government has also obliged upon Johnson Controls (and all its subsidiaries) to comply with its Export Administration Regulations in respect of sales to restricted countries such as Afghanistan, Azerbaijan, Iraq, Libya, Pakistan and Yemen in the Middle East. These restrictions vary as to the type of transaction, product involved and the parties to which they apply.

In accordance with the requirements of these laws, Flo Fab has established a procedure to stipulate the requirements, chart the workflow and define the control points to ensure compliance with these laws. The important requirements of this procedure from the perspective of our Distributor customers are as follows:

- a. Every single sale of Flo Fab products (outside the borders of the US) should be screened for compliance with US export legislation. By definition, sale would include issue of samples, free of cost materials and deliveries pursuant to after sales service.
- b. Screening requirement is with respect to screening and clearance of customer (Distributor) and the end-user.
- c. All our registered Distributors are pre-screened and cleared once every 180 days.
- d. The screening and clearance of customer (if applicable) and end-user is a pre-requisite condition before Flo Fab can proceed to register and process the incoming order.
- e. In case the sales transaction involves a Letter of Credit (LC) and the applicant of the LC is an entity other than the customer, then the applicant should also be screened and cleared in addition to the customer and end-user.
- f. The screening and clearance is conducted on all parties via a web portal (TradePoint) against a database that contains all U.S., U.N. and EU agency sanctioned and embargoed persons/entities and is continuously updated by these agencies.





## Equipment Order Policy

- g. The screening request containing the requisite details as per the Export Clearance Form (ECF) - attached in page 25 - by the Flo Fab Account Manager to the concerned Customer Services Representative in Flo Fab.

In order to ensure compliance with these requirements, it is imperative that the following details are furnished along with the order (or earlier, if possible):

- Customer name: Full legal entity name - abbreviations and brand names should be avoided.
- Customer country: Country in which the customer is legally established. For the purpose of (1) and (2), "Customer" is the entity which intends to enter into a contractual relationship with Flo Fab for the purchase of goods or services.
- End-user name: Full legal entity name - abbreviations and brand names should be avoided. Project names are not acceptable as end users.
- Ultimate destination (End-user country): Country to which product is shipping or end-user is located. This could be the same party/country as the Customer, if the customer is the intended ultimate user of the purchased equipment.
- If the proposed purchase is for stocking purposes by the immediate customer (for ultimate resale to its customers who are as yet unidentified as at the date of purchase) customer should specify this fact by declaring "FOR STOCK ONLY" instead of the End-user name.

End-user full legal name:			
End-user location address:		Destination Country:	
LC applicant's full legal name:			
LC applicant's location (city & country):			

Please note that, the TradePoint screening could possibly return a failure result even if some of the words in the customer/end-user name matches with a listed restricted entity – in which case, the screening has to be forwarded to the Oversight Manager or Corporate Legal department in the USA, which exercise can probably take upto 6 weeks. Hence, you are requested to furnish the complete, precise and required information well in advance. Any sale to a restricted country (Iraq, Libya, Afghanistan, Pakistan in ME) involving equipment of US content (more than 10% of order value) must comply with the EAR (Export Administration Regulations) of US Govt. and the statement by ultimate consignee and purchaser form has to be filled and submitted to the customer service department in Flo Fab.

### 4. Credit Facility

In addition to points 1,2,3 and 4 above, if un-utilized credit at the time of order placement is less than the value of the order then the distributor will need to provide financial coverage for the difference. For such cases, orders will only be released once the financial coverage (B/G and/or L/C) has been secured.

Orders that are covered by Letters of Credit will be processed only after receipt of a clean L/C in accordance with the terms and conditions stipulated in the Finance & Credit policy that is incorporated in the FY2012 Distributor Operating Manual.

### 5. General

Please note that orders WILL NOT be processed/released on the Flo Fab factories until financial coverage has been satisfied and Customer Services Department receive the following forms containing full and final information.

- Order Administration Instructions (OAI)
- Equipment Order Form (EOF)
- Export Clearance Form (ECF)
- Statement by Ultimate Consignee and Purchaser (if applicable)

This policy has been adopted to ensure that orders are received, processed and shipped in a timely manner. The information on USA trade embargoes is correct as of June 2004. If you have questions about the embargo policy or for latest updates, please contact your ESG Account Manager and who will seek advice from the Flo Fab Controls Legal Department.



## Equipment Order Policy

### 4.05 Flo Fab Standard Terms and Conditions of Sale

Attached herewith is a copy of our standard terms and conditions of sale.

#### Flo Fab's Standard Terms and Conditions of Sale

##### Definitions:

In these conditions, "FLO FAB" shall mean the applicable Flo Fab entity named in the agreement, quotation or order, as appropriate, or any affiliate thereof, and, for the avoidance of doubt, this shall include the various York entities. "The Buyer" shall mean the person, firm or company named in the agreement, quotation or order with whom any contract is named, "Equipment" and "Services" shall mean respectively the goods or services or any part thereof agreed to be sold as described within the attached Order Acknowledgement, which shall include both FLO FAB and third party goods and services.

##### Binding Contract:

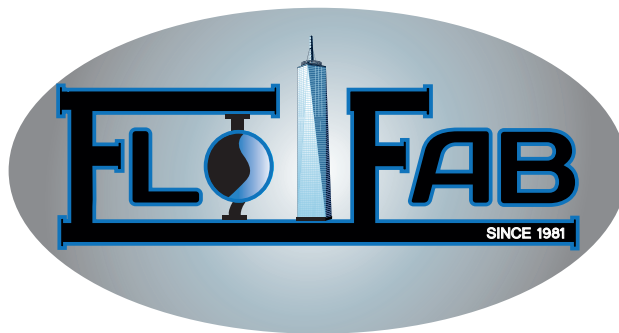
- a) Unless previously withdrawn, quotations and tenders are open to acceptance for the period stated therein or, if no period stated, within 30 days from the date thereof. Orders placed with FLO FAB require express written FLO FAB's final acceptance before any contract arises ("Order Acceptance"). FLO FAB's acceptance shall be subject to these Standard Terms and Conditions of Sale (together with any special conditions endorsed as above on the face of the FLO FAB quotation or Order Acknowledgement) which is the only basis upon which FLO FAB do business and shall prevail notwithstanding any printed or other conditions contained in any purchase orders, or Buyer's acceptances or otherwise brought to FLO FAB'S notice. No other document, including but not limited to purchase order, Buyer's General Terms and Conditions of Supply, Letter of Intent, Memorandum of Understanding, Letter of Credit, etc. shall alter, vary, supersede or operate as a waiver of these Standard Terms and Conditions of Sale or any other conditions of the contract.
- b) Any typographical or clerical error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by FLO FAB shall be subject to correction without any liability on the part of FLO FAB.
- c) The Buyer shall be responsible to FLO FAB for ensuring the accuracy of the terms of any order (including any applicable specification) submitted by the Buyer and for giving FLO FAB any necessary information relating to the equipment within a sufficient time to enable FLO FAB to perform the contract in accordance with its terms.

##### Price:

- a) All prices are quoted in USD unless otherwise specified.
- b) The prices are understood to be on "Ex-works" (otherwise known as "EXW") basis in accordance with ICC Incoterms 2000 unless stated otherwise in the Order Acknowledgement.
- c) The prices quoted do not include any taxes, tariffs, duties or other local, national government or GCC levies (collectively "Levies") which may now or hereafter be applicable to, measured by, or imposed upon this transaction, the Equipment or the Services unless specifically stated on the face of the Order Acknowledgement. To the extent that goods and services provided by FLO FAB under the contract are, or may be subject to, such Levies, the contract prices will be increased by the gross amount of the Levies chargeable thereupon. For the avoidance of doubt, the Buyer is responsible for payment of all such Levies.

##### Shipment and Delivery:

- a) Time – dates for delivery are given in good faith and as accurately as possible, but are not guaranteed. Time shall not be deemed to be of the essence.
- b) Delay – FLO FAB shall be under no liability for damages for delay, however arising. In particular, but not limited to, FLO FAB shall bear no liability to damages where delay has occurred as a consequence of force majeure (Clause 9) or where delay has caused no actual direct loss to the Buyer.



## Equipment Order Policy

- c) Partial Delivery – FLO FAB shall have the right to dispatch any portion of the Equipment and/or Services ordered and shall be entitled to invoice the Buyer for such dispatched portion separately. FLO FAB shall also have the right to treat each delivery as a separate contract and failure by FLO FAB to deliver any one or more of the installments or any claim by the Buyer in respect of any one or more installments shall not entitle the Buyer to treat the contract as a whole as repudiated.
- d) Unless otherwise specified in a quotation or Order Acknowledgement, the legal title, right to possession and risk of loss, destruction and damage to Equipment shall pass from FLO FAB onto the Buyer from the moment of delivery in accordance with the stated INCO terms basis of delivery and the Equipment will be deemed accepted upon such delivery.
- e) Transshipments are allowed.
- f) Should the Buyer fail to accept the delivery on an agreed date as shown on the Order Acknowledgement, FLO FAB will keep the Equipment in storage for a reasonable amount of time but in any case not exceeding 30 days. Upon the expiration of this period FLO FAB will be entitled at its own discretion to invoice the Buyer for the full value of the stored equipment alongside with any incremental costs that FLO FAB may incur and request payment or cancel the contract and claim cancellation fees (see Clause g)).
- g) In the event the Buyer cancels this contract, FLO FAB reserves the right of first refusal to title and possession. In case FLO FAB accepts to cancel the contract due to the Buyer's failure to accept delivery or any other reason, the Buyer agrees to pay:

(1) For "Standard equipment"

(i) If notice of cancellation is given before FLO FAB submit to the factory the order for manufacture, a minimum charge of twenty five (25) percent of the Equipment selling price.

(ii) If notice of cancellation is given after FLO FAB submit to the factory the order for manufacture, a minimum charge of  $[X/Y \text{ multiplied by } 110\% \text{ (one hundred \& ten percent)}]$  of the Equipment selling price, where X = number of weeks from the date FLO FAB submit the order for manufacture up to the date of receipt of the cancellation notice, and Y = number of weeks between the date FLO FAB submit the order for manufacture and the scheduled delivery of the Equipment. In any event the cancellation charges shall not be less than 25% and not exceed the Equipment selling price.

(2) For "Non-standard equipment"

- If notice of cancellation is given after FLO FAB submit to the factory the order for manufacture, a minimum charge of one hundred (100) percent of the Equipment selling price, irrespective of whether the Equipment is partially or fully manufactured.

Non-standard Equipment shall mean Equipment that is modified, altered or customized in any manner either at the request of the Buyer or to enable fulfillment of the Buyer's specific purposes. The decision as to whether Equipment is Standard or Non-standard shall be at the sole discretion of FLO FAB based on this criteria.

- h) FLO FAB and the Buyer hereby acknowledge that the cancellation charges do not constitute penalties but a mutually and irrevocably agreed compensation FLO FAB and the Buyer hereby irrevocably accept and agree that the cancellation charges calculated in accordance with the provisions of this clause shall be final, binding and enforceable on FLO FAB and the Buyer and may not be subject to any contestation before any authority or court of law. FLO FAB and the Buyer hereby irrevocably



## Equipment Order Policy

waive all rights to request any competent court or other authority to increase or reduce the cancellation charges.

### Terms of Payment:

- a) Payment shall be made as shown on the face of the Order Acknowledgement.
- b) All payments shall be strictly net and no retention or set-off or counter-claim shall be exercised unless prior express written agreement is provided by FLO FAB Finance.
- c) Failure by the Buyer to make timely payment under the contract shall entitle FLO FAB -
  - to charge interest on all outstanding sums overdue to FLO FAB at a rate of 1.5% per month for each month or part thereof; and/or
  - to suspend any outstanding deliveries or to cancel the contract at FLO FAB's option and to demand immediate payment of all sums owing to FLO FAB all without prejudice to FLO FAB's rights to damages; and/or
  - to suspend work on any other contract which FLO FAB have with the Buyer or to cancel such contract at FLO FAB's option and to demand immediate payment of all sums owing to FLO FAB hereunder, without prejudice to FLO FAB's, rights to damages.
- d) In the event it becomes necessary for FLO FAB to incur any costs or expenses in the collection of monies due to FLO FAB from the Buyer, or to enforce any of its rights or privileges hereunder, the Buyer, upon demand, shall reimburse FLO FAB for all such costs or expenses (including, but not limited to, reasonable attorneys' fees).

### Warranty:

- a) FLO FAB warrants all new and replacement Equipment of its own manufacture hereunder against defects in workmanship and material for the period of 18 months after the date of delivery or 12 months from commissioning of the Equipment, whichever occurs first and will at its sole discretion, repair or replace on the same INCO terms such products or components as FLO FAB finds defective.
- b) This warranty does not include the replacement of refrigerant lost from the unit after delivery.
- c) On Equipment furnished, by FLO FAB, but manufactured by others, FLO FAB will extend the same warranty FLO FAB received from the manufacturer.
- d) No liability shall be incurred by FLO FAB until said Equipment have been paid for, and then such liability shall be limited to the cost of repairing or replacing said defective product or component.
- e) FLO FAB warrants that it shall perform the Services in a good and workmanlike manner compliant with industry standards. The Buyer's sole and exclusive remedy and FLO FAB's entire liability for breach of this warranty will be reperformance of Services. Any claim for breach of this warranty must be made in writing and notified to FLO FAB within 90 days of performance of the Services at issue.
- f) The warranty and liability set forth above are in lieu of all other warranties and liabilities, express or implied in law or in fact, including the warranties of merchantability and fitness for a particular purpose. The warranties contained here in set forth Buyer's sole and exclusive remedy in the event of a defect in workmanship or materials.
- g) This obligation is subject to the following:
  - That the Buyer shall give written notice to FLO FAB specifying the nature of defects in the part of parts of the Equipment alleged to be defective within 21 days of any purported failure.



## Equipment Order Policy

- That the Buyer shall make no further use of the Equipment alleged to be defective after the time at which the Buyer discovers that it is defective unless approval in writing is given by FLO FAB.
- That the Buyer shall afford FLO FAB a reasonable opportunity to inspect the equipment.
- FLO FAB shall be under no liability in respect of any defect arising from fair wear and tear, willful damage, negligence, abnormal working conditions, failure to follow FLO FAB instructions (whether verbal or in writing), misuse, alteration or repair of the Equipment without FLO FAB's approval.
- Should FLO FAB fail to eliminate defects accepted by FLO FAB or fail to deliver replacement Equipment and/or parts within a reasonable time, the Buyer will have the right to eliminate such defects with FLO FAB's permission and at FLO FAB's expense without prejudice to the Buyer's right in respect of warranties and FLO FAB undertakes to reimburse all actual normal expenses incurred in respect of such repairs but within the limits of normal costs required for such type of repair.

### Site Services:

Site services are defined herein as services provided by FLO FAB, which are carried out on the premises of other parties.

- a) The Buyer shall make available at the site all electricity, water and other facilities as FLO FAB may require or as may be necessary for the execution of the works.
- b) Unless otherwise agreed in writing, all work is to be performed during FLO FAB's normal working hours as FLO FAB may determine from time to time.
- c) Time of completion of any site work is not guaranteed but FLO FAB will use all reasonable commercial endeavors to comply with the schedule required.
- d) Where access to the equipment to be worked on by FLO FAB is hazardous, the Buyer shall make the necessary provision for the FLO FAB personnel to carry out work in safety. This includes but is not limited to working at altitudes, electrical hazards, flameproof areas, and protection from potential disease or contamination. Any costs incurred by FLO FAB as a direct result of an unsafe working environment such as, but not limited to, abortive visits or special safety equipment shall be the sole responsibility of the Buyer.
- e) Except to the extent that such is occasioned by the willful or gross negligence of FLO FAB, the Buyer hereby indemnifies FLO FAB in respect of all costs, claims and liabilities of whatever nature incurred by third parties as a result of execution of work at site and agree to hold FLO FAB harmless in respect thereof.
- f) FLO FAB will hereby indemnify the Buyer against injury or damage to any person or property whatsoever (including property owned by the Buyer) and claims by third parties in relation to the same, caused by the willful or gross negligence of FLO FAB or that of our servants or agents, against all losses, claims and damages arising out of such injury or damage, provided always that our liability under the foregoing indemnity shall not exceed in total 1,000,000 USD with respect to damage to property.

### Limitation of Liability:

- a) All claims, causes to action or legal proceedings against FLO FAB arising from FLO FAB's performance under this contract must be commenced by the Buyer within the warranty period specified under Clause 6 hereof. Failure to commence any claim, cause of action or legal proceeding within such period shall constitute a voluntary and knowing waiver thereof by the Buyer.



## Equipment Order Policy

- b) The remedies of the Buyer set forth herein are exclusive, and the total liability of FLO FAB with respect to this agreement or the Equipment and/or Services furnished hereunder, in connection with the performance or breach thereof or from the manufacture, sale, delivery, installation, repair or technical direction covered by or furnished under this contract whether based on contract, warranty, negligence, indemnity, strict liability or otherwise, shall not exceed the purchase price of the unit of Equipment or Services, as appropriate, upon which such liability is based.
- c) FLO FAB and/or its suppliers shall in no event be liable to the Buyer, any successors in interest or any beneficiary or assignees of this contract for any consequential, incidental, indirect, special or punitive damages arising out of this contract or any breach thereof, or any defect in, or failure of, or malfunction of the Equipment or Services there under, whether based upon loss of use, lost profits or revenue, interest, lost goodwill, work stoppage, impairment of other goods, loss by reason of shut-down or non-operation, increased expenses of operation, cost of purchase of replacement power or claims of Buyer or customers of Buyer for service interruption, whether or not such loss or damage is based on contract, warranty, negligence, indemnity, strict liability or otherwise.

### Force Majeure:

- a) If either FLO FAB or the Buyer is rendered unable wholly or in part by force majeure to carry out its obligations under this contract the party affected shall give to the other prompt written notice of the force majeure with reasonable full particulars concerning it where upon the obligation of the party giving the notice so far as it is effected by the force majeure shall be suspended during but no longer than the continuance of the force majeure. The affected party shall use all reasonable diligence to eliminate the effects of the force majeure as quickly as possible.
- b) The term "force majeure" as employed in this contract shall be deemed to include but shall not be limited to any war, riot, act of God, fire, flood, Government regulation or act, any natural or accidental disaster, any strike, lockout or industrial dispute, embargo, damage or delay in transportation, shortage of raw materials or fuel or any breakdown of machinery or any other cause outside the reasonable control of the party suffering such force majeure, but not in any circumstances including financial inability.
- c) If a party is rendered unable wholly or in part by force majeure to substantially carry out its obligations under this contract for a period 4 months or more, then either party may declare the contract to be abandoned forthwith by written, notice to the other party to that effect.

### Patents.

- a) FLO FAB will hold Buyer and Buyer's sales outlets and customers harmless against any rightful claim of any third person by way of infringement of any Letters Patent by such of the goods as are of FLO FAB own manufacture, but, if Buyer furnishes specifications to FLO FAB Buyer will hold FLO FAB harmless against any such claims which arise out of compliance with the specifications. FLO FAB agreement to hold Buyer harmless shall not apply to any infringement consisting of the use of Equipment manufactured by Johnson Controls as a part of any combination with goods manufactured by others. In the event that any Equipment manufactured by FLO FAB are in any suit held to constitute infringement and their use is enjoined, FLO FAB, if unable within a reasonable time to secure for Buyer the right to continue using such Equipment, either by suspension of the injunction, by securing for Buyer a license, or otherwise, will, at its own expense, either replace said Equipment at Buyer's place of business with non-infringing Equipment or modify such Equipment so that they become non-infringing, or accept the return of the enjoined Equipment and refund the purchase price theretofore paid therefore.



## Equipment Order Policy

- b) Whenever FLO FAB deems it necessary or expedient for the protection of FLO FAB's patent rights or for the prevention of patent litigation, infringement of accounting suits, or for any reason whatsoever, to discontinue the sale of any Equipment manufactured by FLO FAB, Buyer, upon receipt of notice from FLO FAB to discontinue sale of such Equipment, shall make no further sales or installations of any such Equipment unless or until authorized to do so in writing by FLO FAB.

### Governing Law and Arbitration:

- a) This contract shall be deemed to have entered into and shall be governed by the laws in force in the Emirate of Dubai, United Arab Emirates. All claims, disputes and controversies arising out of or relating to this contract or the breach thereof, shall be settled in an amicable way between the parties. Should an amicable settlement prove to be impossible, such disputes in lieu of court action, shall be submitted to arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce (the "Arbitration Rules") to be decided by a single arbitrator agreed to by FLO FAB and the Buyer, or failing such an agreement, by three (3) arbitrators one of which shall be appointed by FLO FAB, one by the Buyer and the third arbitrator by the two arbitrators appointed as aforesaid, or failing the agreement of the two arbitrators in accordance with the Arbitration Rules. The place of arbitration proceedings shall be Dubai, United Arab Emirates, unless another site is mutually agreed between the parties. The language of the arbitration proceedings shall be English.
- b) The award rendered by the sole arbitrator or the majority of arbitrators, as the case may be, shall be final, binding and subject to no appeal and may be entered in any court having jurisdiction thereof. It is agreed no appeal in any question of law may be made to any Court.

### Miscellaneous:

- a) Any addenda or amendments to this contract shall become valid only when affected through a written Order Acknowledgement.
- b) The effective date of this Contract is the date of the Order Acknowledgement drawn under this contract.
- c) These Standard Terms and Conditions of Sale and the matter set forth on the face of FLO FAB's Order Acknowledgement, shall constitute the entire agreement between FLO FAB and the Buyer. No prior understandings, agreements or representations, written or verbal, express or implied, are a part of the agreement, nor shall any subsequent modification, agreement or representation become part of this agreement unless expressly agreed to in writing by both parties or as stated in a later Order Acknowledgement referencing the same Equipment and/or Services for the same project.
- d) If any of these conditions or any part thereof is rendered void by any legislation to which it is subject it shall be void to that extent and no further.
- e) A waiver by either party of any of the Standard Terms and Conditions of Sale of this agreement and/or breach thereof shall apply only to the particular instance or instances in which waiver occurs, and shall not effect or impair the further continuance in force of such Standard Terms and Conditions of Sale, or the right of either party to avail itself of such Standard Terms and Conditions of Sale upon any subsequent breach or breaches thereof.
- f) These terms and conditions are made in English. The English text having prevailing force in matters of conflicting interpretations in the event these Standard Terms and Conditions of Sale are translated into Arabic for any reason.



## Equipment Order Policy

### 4.06 STATUS OF UNITED STATES TRADE EMBARGOES AS OF JUNE 2004

#### CUBA

This embargo prohibits all transactions between “persons subject to the jurisdiction of the united states” and Cuba or Cuban special designated nationals (“sdn’s”) and restricts exports and re-exports of nearly all U.S.-origin goods and technology to Cuba. These “persons” include U.S. citizens and residents wherever located, all persons within the U.S., and U.S. corporations including controlled foreign subsidiaries.

In the spring of 1998, a series of steps to facilitate humanitarian support to Cuba were enacted. These relate to licenses for medical supplies and the expansion of the limits on family remittances to Cuba.

#### IRAN

In May of 1995 sanctions were again imposed against Iran. “U.S. persons”, defined as U.S. citizens, permanent residents, U.S. companies and foreign branches, but not separately incorporated foreign subsidiaries, and any other persons within the U.S., are prohibited from :

1. Importation of most Iranian-origin goods or services into the U.S. this was modified in May, 2000 whereby pistachio nuts and carpets are allowed to be imported.
2. Export of goods, services, or technology from the U.S. to Iran; and
3. Reexportation to Iran the government of Iran or to any entity owned or controlled by the government of Iran of goods or technology from the U.S. that are subject to export licenses, with the exception of goods which
  - 1). Have been substantially transformed outside the U.S., or
  - 2). Have been incorporated into a foreign-made product and constitute less than 10% of the value of the product. (This exception relates only to goods which require a special export license and does not apply to our products.)

Under this embargo there is also a prohibition against a U.S. person approving or “facilitating” a foreign subsidiary’s entering into a contract for a transaction in Iran. The Iran regulations also have a reporting requirement whereby U.S. persons must periodically report certain information relating to various activities of their foreign affiliates involving the Iranian petroleum and petrochemical industries. Reportable transactions include not only the purchase, sale or swap of Iranian origin crude oil, natural gas or petrochemicals, but also the provision of goods or services to Iran or the government of Iran relating to the Iranian petroleum and petrochemical industries, including oil field supplies and equipment.

#### SUDAN

The Sudanese sanctions regulations impose a broad range of restrictions on the activities of U.S. persons with respect to Sudan. U.S. persons are defined to include foreign branches of U.S. entities, in addition to U.S. companies, citizens and permanent resident aliens; separately incorporated foreign subsidiaries are not included.

The Sudan regulations prohibit a broad range of activities:

1. The importation into the U.S. of any goods or services of Sudanese origin, other than information and informational materials;
2. The exportation or reexportation, directly or indirectly, to Sudan of any goods, technology or services from the united states or by a U.S. person, wherever located, or requiring the issuance of a license by a federal agency, except for donations of articles intended to relieve human suffering such as food, clothing, and medicine;
3. Facilitation by any U.S. person of the export or reexport of goods, technology or services to Sudan;
4. Performance by any U.S. person of any contract in support of an industrial, commercial, public utility, or governmental project in Sudan;
5. Granting or extending credit or loans to the government of Sudan;
6. Transportation by a U.S. person of cargo to or from Sudan, or transportation to or from the U.S. of cargo by a Sudanese person or carrier, or the sale in the U.S. of any cargo transported by air that has stopped in Sudan.





## Equipment Order Policy

Although the Sudan regulations prohibit virtually all exports and reexports of U.S.- origin items, the reexport of non controlled U.S.-origin items by non U.S. persons to Sudan is authorized by general license. in general, all air conditioning and refrigeration equipment are non-controlled items.

### SYRIA

On May 11, 2004, president Bush issued an executive order (the "order"), effective May 12, 2004, imposing sanctions against Syria pursuant to the Syria accountability and Lebanese sovereignty restoration act of 2003, H.R. 1828 (the "act"). the order prevents the export or reexport of us goods, except for food and medicine, to Syria. It is different from some of the other sanctions in that using us goods out of inventory is not provided for so even if the us goods are used from inventory, this would require a us license. Licenses are not likely to be given but there are certain exceptions as provided below. There is an exception for goods that have been incorporated into a foreign-made product and constitute less than 10% of the value of the product. (Note this is a complicated determination).

The order also provides for the blocking of property of persons deemed by the secretary of the treasury to contribute to Syria's support of terrorist organizations, Syria's pursuit of weapons of mass destruction, or Syria's steps to undermine stabilization efforts in Iraq that are in the united states, come within the united states, or that are or come within the possession of U.S. persons. There is no general blocking of transactions with Syria or the government of Syria and no general prohibition otherwise restricting U.S. persons from transactions in or with Syria or Syrian entities, provided no restricted exports or reexports are involved nor any blocked persons.

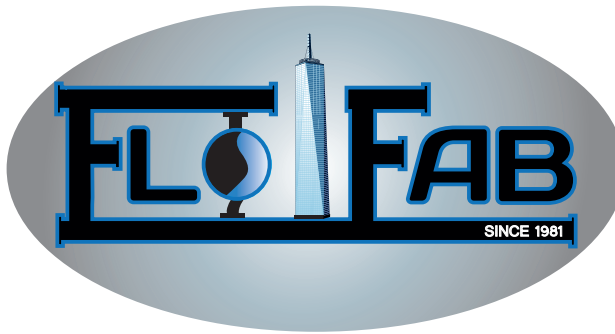
Licensing policy: there will be a general policy of denial for all items requiring licenses except for the following limited categories of items that will be subject to a case-by-case review :

- Medicine on the Commerce Control list and medical devices;
- Items in support of the U.S. government;
- Parts and components to ensure safety of civil aviation and commercial passenger aircraft;
- Aircraft chartered by the Syrian government for transport of Syrian government officials on official Syrian Government business;
- Telecommunications equipment and associated computers, software and technology;
- Deemed exports of technology or source code on the Commerce Control list; and
- Items in support of united nations operations in Syria.

For updates on the embargo policy or if in doubt, please contact your ESG Account Manager who will seek advice from the Johnson controls department.

# ANNEXURE





# Equipment Order Policy

## 2. STATEMENT BY ULTIMATE CONSIGNEE

FORM <b>BIS-711</b> FORM APPROVED: OMB NO. 0694-0021	<b>U.S. DEPARTMENT OF COMMERCE</b> <b>BUREAU OF INDUSTRY AND SECURITY</b> <small>Information furnished herewith is subject to the provisions of Section 12(c) of the Export Administration Act of 1979, as amended, 50 U.S.C. app 2411(c) and its unauthorized disclosure is prohibited by law.</small>	DATE RECEIVED (Leave Blank)
<b>STATEMENT BY ULTIMATE CONSIGNEE AND PURCHASER</b>		
1. ULTIMATE CONSIGNEE	CITY	
ADDRESS LINE 1	COUNTRY	
ADDRESS LINE 2	POSTAL CODE	TELEPHONE OR FAX
2. DISPOSITION OR USE OF ITEMS BY ULTIMATE CONSIGNEE NAMED IN BLOCK 1 We certify that the items: <i>(left mouse click in the appropriate box below)</i>		
A. <input type="checkbox"/> Will be used by us (as capital equipment) in the form in which received in a manufacturing process in the country named in Block 1 and will not be reexported or incorporated into an end product.		
B. <input type="checkbox"/> Will be processed or incorporated by us into the following product (s) _____ to be manufactured in the country named in Block 1 for distribution in _____		
C. <input type="checkbox"/> Will be resold by us in the form in which received in the country named in Block 1 for use or consumption therein. The specific end-use by my customer will be _____		
D. <input type="checkbox"/> Will be reexported by us in the form in which received to _____		
E. <input type="checkbox"/> Other (describe fully) _____		
<small>NOTE: If BOX (D) is checked, acceptance of this form by the Bureau of Industry and Security as a supporting document for license applications shall not be construed as an authorization to reexport the items to which the form applies unless specific approval has been obtained from the Bureau of Industry and Security for such export.</small>		
3. NATURE OF BUSINESS OF ULTIMATE CONSIGNEE NAMED IN BLOCK 1		
A. The nature of our usual business is _____		
B. Our business relationship with the U.S. exporter is _____		
and we have had this business relationship for _____ year(s).		
4. ADDITIONAL INFORMATION		
5. ASSISTANCE IN PREPARING STATEMENT		
STATEMENT OF ULTIMATE CONSIGNEE AND PURCHASER <small>We certify that all of the facts contained in this statement are true and correct to the best of our knowledge and we do not know of any additional facts which are inconsistent with the above statement. We shall promptly send a supplemental statement to the U.S. Exporter, disclosing any change of facts or intentions set forth in this statement which occurs after the statement has been prepared and forwarded, except as specifically authorized by the U.S. Export Administration Regulations (15 CFR parts 730-774), or by prior written approval of the Bureau of Industry and Security, we will not reexport, resell, or otherwise dispose of any items approved on a license supported by this statement (1) to any country not approved for export as brought to our attention by means of a bill of lading, commercial invoice, or any other means, or(2) to any person if we know that it will result directly or indirectly, in disposition of the items contrary to the representations made in this statement or contrary to Export Administration Regulations.</small>		
6. SIGNATURE OF OFFICIAL OF ULTIMATE CONSIGNEE	7. NAME OF PURCHASER	
NAME OF OFFICIAL	SIGNATURE OF PURCHASER	
TITLE OF OFFICIAL	NAME OF OFFICIAL	
DATE (mmmm,dd,yyyy)	TITLE OF OFFICIAL	
CERTIFICATION FOR USE OF U.S. EXPORTER - We certify that no corrections, additions, or alterations were made on this form by us after the form was signed by the (ultimate consignee)(purchaser).	DATE (mmmm,dd,yyyy)	
8. NAME OF EXPORTER	SIGNATURE OF PERSON AUTHORIZED TO CERTIFY FOR EXPORTER	
NAME OF PERSON SIGNING THIS DOCUMENT	TITLE OF PERSON SIGNING THIS DOCUMENT	DATE (mmmm,dd,yyyy)
We acknowledge that the making of any false statements or concealment of any material fact in connection with this statement may result in imprisonment or fine, or both and denial, in whole or in part, of participation in U.S. exports and reexports.		
<small>Public reporting burden for this collection of information is estimated to average 15 minutes per response plus one minute for recordkeeping, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Director of Administration, Room 3889, Bureau of Industry and Security, U.S. Department of Commerce.</small>		
<small>Washington, DC 20230, and to the Office of Management and Budget Paperwork Reduction Project (0694-0021), Washington, D.C. 20503. Notwithstanding any other provision of law, no person is obligated to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number.</small>		



## Equipment Order Policy

### 3. PASOD FORM

To be developed



## Equipment Order Policy

### 4. ORDER ADMINISTRATION INSTRUCTIONS (OAI - PRODUCTS FROM ALL SOURCES EXCEPT US)

ORDER ADMINISTRATION INSTRUCTIONS ESG PRODUCTS FROM OTHER SOURCES (EXCLUDES USA & CHINA)	
Johnson Controls Reference Number	
Johnson Controls Dubai Reference Number	
Distributor P.O. / Reference Number	

DISTRIBUTOR			
INVOICE TO			SHIP TO
Consignee	PAYMENT TERMS		Notified Party
	Credit Approved		
	Refer to Credit Dept.		

Sales Terms	Ex Works	FAS	FOB	CFR	CIF	CPT	DAP
Pricing Instructions							
Override							

PACKING INSTRUCTIONS			
Domestic packed		Export Boxed	
Container		Export Crated	
Pallets		Export Boxed, Shells Skidded	

SHIPPING INSTRUCTIONS							
Partial Shipment Allowed	Yes	No					
Air Freight	Prepaid	Collect	Via		Air Port		Country
Ocean Freight	Prepaid	Collect	Via		Sea Port		Country

B/L DESCRIPTION INSTRUCTIONS					
FREIGHT FORWARDER		JOHNSON CONTROLS		MARKING INSTRUCTIONS	
INSURANCE			CONSULAR DECLARATION & OTHER DOCUMENTS		
JCI	Yes / No	% OF C.I.F. VALUE			
Distributor	Yes / No	Please give details hereunder			
SPECIAL INSTRUCTIONS					



# Equipment Order Policy

## 5.. ORDER ADMINISTRATION INSTRUCTIONS (OAI - PRODUCTS ORIGINATING FROM US)

<b>ORDER ADMINISTRATION INSTRUCTIONS</b>		O	N		
<b>ESG - USA SOURCE</b>		R	U	York/JCI Purchase Order #	
		D	M		
<b>INVOICE TO</b>		<b>SHIP TO</b> -- must include complete street, phone & contact person with postal code when applicable			
Has End User been screened using Tradepoint? Yes No If so, did End User pass the screening? Yes No If not, please advise now.		<b>End User/End Use</b> -include legal business company name, city & country			
<b>PAYMENT TERMS</b> -- Open Account Pricing --Transfer Cost		<b>Is order financed with Letter of Credit? If so, please include now</b>			
<b>INCOTERMS (circle one)</b>		<b>EXW</b>	<b>FCA*</b>	<b>CPT*</b>	<b>CFR*</b>
				<b>CIF*</b>	<b>DES* (only for York business locations)</b>
* requires specific address, contact and telephone number					
<b>PACKING INSTRUCTION (CIRCLE DESIRED METHOD)</b>					
DOMESTIC PACKED				EXPORT BOXED	
CONTAINER				EXPORT CRATED	
FLAT RACK				EXPORT BOXED, SHELLS SKIDDED	
<b>SHIPPING INSTRUCTION</b>				PARTIAL	YES
					NO
AIR FREIGHT	PREPAID	COLLECT	VIA	AIRPORT	
OCEAN FREIGHT	PREPAID	COLLECT	VIA	PORT	
<b>BILL OF LADING DESCRIPTION INSTRUCTION</b>					
<b>FREIGHT FORWARDER</b>			<b>MARKING INSTRUCTION</b>		
<b>INSURANCE</b>			<b>CONSULAR DECLARATION &amp; OTHER DOCUMENT</b>		
YORK/INT'L	% OF CIF VALUE				
<b>SPECIAL INSTRUCTION</b>					
SIGNED			DATE		











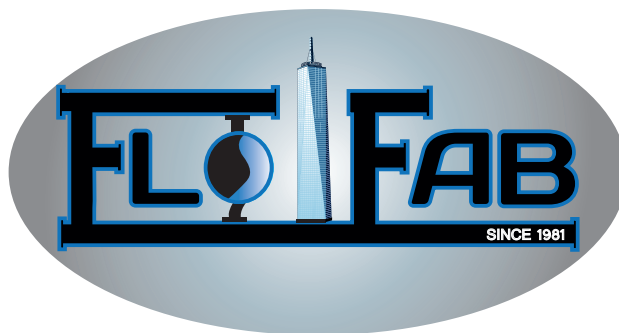
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# **Section 5**

**Training Policies Policy**

## **Distributor Operating Manual**

**Building Efficiency  
Helping People Achieve**



## Training Policy

### 5.01 TRAINING POLICY

Issued September 2012

#### 5.02 PURPOSE

To enhance and develop Flo Fab distributors/dealers product, sales and service knowledge by providing periodic Sales and Service training programs.

#### 5.03 DESCRIPTION OF PROGRAMS

Periodic training will familiarize both distributor and dealer personnel with the fundamental principles of Refrigeration and Air conditioning. In addition, specific product orientation, application, installation and service training will be provided. Flo Fab has prepared a detailed training program for FY 2012. Distributor and dealers are encouraged to participate in such training programs. In the Middle East, training programs have been planned in Qatar, UAE, Kingdom of Saudi Arabia, Lebanon, Bahrain, Oman, Kuwait, Egypt and Istanbul. In addition to this, Flo Fab offers technical training classes and aides at various facilities. To learn more about these training programs, contact your Flo Fab account manager or marketing department, Dubai.

- 5.04 Distributors are encouraged to participate in courses detailed in the training calendar. Their participation will be alongside Flo Fab employees and will be limited to 3 per Distributor. In this case Distributors will be charged for these courses @US\$ 1000 per training day. All other costs have to be borne by the Distributors. Hotel bills will be cleared directly by the Distributors.
- 5.05 If we have simultaneous requests from several Distributors, an out of turn course will then be conducted and each organization will be charged at US \$ 1000 per training day. We will then be able to conduct a program exclusively for these Distributors, however subject to availability of trainers. Minimum number of trainees will be 5 and total participation for any course shall not exceed 15. Nominations will be on first-come-first-served basis and venue (costs / food / snacks, etc.) will be charged to the distributor.
- 5.06 Where an exclusive training is conducted for Distributors, charges shall be US \$ 1000 per day for a maximum participation of 10. The Distributors will also bear the following costs
- To and fro airfare
  - Hotel accommodation and food
  - Visa charges
  - Local transportation
- 5.07 In case trainers are invited from other zones, trainers' costs towards time (at actual, in lieu of US \$ 1000 per day) will be extra over the above-mentioned charges
- 5.08 Wherever training is conducted as part of Product Launches / Seminars / Market Promotion, the respective business units may choose to waive expenses incurred by the distributor.
- 5.09 Documentation will normally be provided in PDF formats. Hard copies may be given subject to availability only.
- 5.10 Cancellations
- Cancellation: 7 days or more before commencement of training - No cancellation fees.
  - Cancellation: 3 to 6 days before commencement of training - \$ 500 per training day, even if training is rescheduled to a later date.
  - Cancellation: 1 to 2 days or on the day of training - Full training fees, even if training is rescheduled to a later date



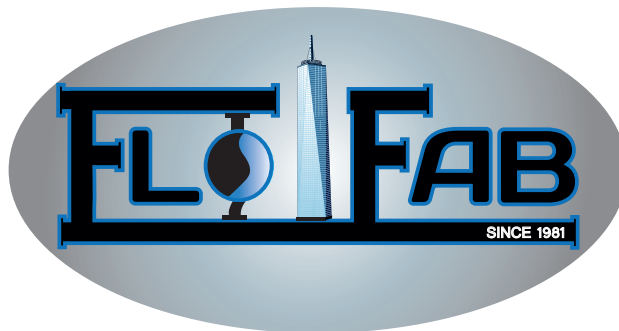
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# **Section 6**

**Cooperative  
Promotion Policy**

**Distributor  
Operating  
Manual**

**Building Efficiency  
Helping People Achieve**



## Cooperative Promotion Policy

### 6.01 COOPERATIVE PROMOTION POLICY

Issued September 2012

#### 6.02 PURPOSE

The purpose of the Co-op program is to assist Flo Fab distributors to promote the sales of Flo Fab York branded air conditioning products and services. It is designed to help our distributors/dealers to identify themselves with Flo Fab.

#### 6.03 POLICY

Within the framework of the Co-op advertising and promotion program, Flo Fab will partially reimburse distributors and dealers of their eligible advertising and promotion costs. Reimbursement (if approved) will be made in the form of a credit note to the respective distributor / dealer's account before the end of the first quarter of the new fiscal year (i.e. before 31st December) Flo Fab may contribute to distributor / dealer co-up advertising and promotion program. Approval and contribution amount will be considered on case to case basis.

Flo Fab must pre-approve all advertising and promotional material via our internal Communications department.

All related costs will be borne by the Distributor. The Distributor will submit original quotations, invoices plus any supporting documentation along with their claim for reimbursement. Such claims must be submitted in writing at the end of the quarter in which the costs were incurred.

Subject to Flo Fab review and approval procedures, reimbursement will be made Sixty (60) days from the date of submittal for that particular activity.

#### 6.04 EFFECTIVE DATES

The Co-op year will start on the first day of the fiscal year and end on the last day of the fiscal year. Flo Fab fiscal year is from 1st October to 30th September.

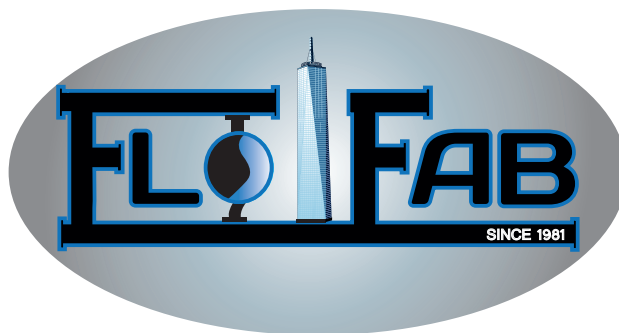
#### 6.05 ELIGIBILITY CRITERIA

In addition to the Policy above (7.03), NO claims will be entertained unless prior approval (IN WRITING ) is obtained from Flo Fab Management, Middle East.

Prior written approval MUST BE obtained for all and any forms of advertising and promotional material (this includes any text and pictures / logos etc). Approval must be obtained from ESG Marketing in writing.

Drafts of all proposed advertisements and promotional activities must be sent to the ESG Account Manager one month prior to the release date.

Co-op funding will be for advertisements promoting Flo Fab York brand name in local newspapers / magazines, yellow pages, trade directories, hoardings, exhibitions, newspaper supplements, calendars etc. Advertising material that does not show the York name exclusively will be reviewed and Co-op funding assigned on a pro-rata basis according to the type, size, position, exposure of the advertising material.



## Cooperative Promotion Policy

### 6.06 CLAIM PROCEDURE

Co-op claims must be supported with original quotations from the supplier / publishing company, receipts / invoices plus a copy of the advertisement pre-approved from the Flo Fab. Distributors should report their Co-op claims quarterly after the close of the Fiscal Year.

- 31st January deadline for Q1 claims
- 30th April deadline for Q2 claims
- 31st July deadline for Q3 claims
- 31st October deadline for Q4 claims

Co-op claims must be submitted quarterly.



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# **Section 7**

**Logo Usage and  
Advertising Guidelines**

**Distributor  
Operating  
Manual**

**Building Efficiency  
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## Logo Usage & Advertising Guidelines

### LOGO USAGE

Usage of the Flo Fab logo in all promotions should be approved by Flo Fab Communications department for the Middle East. Copies of the logo usage guidelines are available in PDF format on request. Please contact the business development manager for distribution.

### 7.02 ADVERTISING GUIDELINES

As per the new communications policy from our corporate office, all advertisements released anywhere in the world will need US approvals. This is a mandatory requirement and applies to recruitment ads and those by distributors and dealers. With immediate effect therefore:

- Please add a lead time of at least two working days to any advertisements that you may plan to release henceforth. This is applicable for ads where the artwork is done by Flo Fab communications department.
- Please add a lead time of at least one week to ads not designed by Flo Fab (applicable to distributor ads & those designed in Turkish)

These guidelines will provide answers to most of your questions related to advertising, but may not provide all the answers. For specific queries, please feel free to contact Regional Communications Director. All advertising and promotional activities involving one of the Flo Fab logos and/or sub brand logos should be approved by the Regional Communication Director.

Please refer to the examples in the following pages.

## Generic Endorsed Brand Logo

The brand logos shown below will be used in all examples given in this endorsed channel member guideline manual. The guidelines contained herein apply to all endorsed brands. Modifications for a specific brand, for a specific region or for a specific business are not appropriate.

A Flo Fab channel member should never use a stand alone Flo Fab owned trademark for any purpose. There should always be a clear distinction of the relationship between the two entities. If the channel member is providing products identified with a Flo Fab sub-brand, the endorsed version of that logo should be used when required.

For purposes of this document, the brand logo shown below will be used in all examples. This Logo by Flo Fab Authorized XXX" logo should be used correctly in all communications.

\*NOTE: Translation of the terms "Authorized Distributor", "Authorized Dealer" & "Authorized Representative" into the local language is permitted, but the translated version must be approved by the appropriate Flo Fab Regional Communications Professional. Also note that translation of the endorsement "by Flo Fab" is NOT permitted.

Proper artwork for all endorsed/authorized marketing/sales channel members is available from your Flo Fab Controls Regional Communications Professional. Under no circumstances should artwork be created or modified locally.



# Logo Examples



For purposes of this document, the generic logo will be used in all examples. These standards apply to all endorsed/authorized logos. The endorsed brand logo must be used correctly to ensure that the impact and integrity of our brand is not diluted or compromised. Always reproduce the signature from approved electronic artwork. The examples here illustrate a small range of incorrect uses. Always use good judgment when working with the logo.

All use of the endorsed/authorized logo must be reviewed and approved by the appropriate Flo Fab Regional Communications Professional.



## Apparel/Promotional Items

For purposes of this document, the generic logo will be used in all examples. These standards apply to all endorsed/authorized logos. Brand usage on apparel and promotional items will vary on a case-by-case basis. The channel member logo and the endorsed/authorized logo may simultaneously appear on apparel/promotional items. They must be set off from one another. Both brands may appear on the same item, but there must be adequate separation. Your logo must appear as the primary brand identification (more prominent) and the endorsed/authorized logo must appear as a secondary (less prominent) brand.

In the case of a two-sided item, such as a coffee cup or bag, it is preferred that your logo and the endorsed/authorized logo appear on opposite sides.

All use of the endorsed/authorized logo must be reviewed and approved by the appropriate Flo Fab Regional Communications Professional.

### don't's



**DON'T** use both logos together.



**DON'T** leave off the "by Flo Fab" or "Authorized" portion of the logo.

**DON'T** use the your logo as the secondary identifier.

### do's

**DO** use your logo on all promotional items. endorsed/authorized logo may be used opposite the logo.



**DO** use your logo on left breast, with optional endorsed/authorized logo on right.



**DO** use your logo with optional endorsed/authorized logo.



**DO** use your logo on front, with optional endorsed/authorized logo on back.



**DO** use your logo on front, with optional endorsed/authorized logo on back.



## Advertising

For purposes of this document, the generic logo will be used in all examples. These standards apply to all endorsed/authorized logos. Channel members should use their format for all Advertising. The endorsed/authorized logo may simultaneously appear on advertisements, but there must be adequate separation. Your logo must appear as the primary brand identification (more prominent) and the endorsed/authorized logo must appear as a secondary (less prominent) brand.

All use of the endorsed/authorized logo must be reviewed and approved by the appropriate Flo Fab Regional Communications Professional.

### do's

**DO** use your company format.



**DO** use endorsed/authorized logo optionally.

### dont' s



**DON'T** use Flo Fab advertising



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# **Section 8**

**Software Policy**

## **Distributor Operating Manual**

**Building Efficiency  
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## Software Policy

### 8.01 SOFTWARE RE POLICY FOR ESG PRODUCTS

#### 8.02 PURPOSE

The software packages provide a simple and professional way to provide selections / quotations to the customer. Most ESG products from Flo Fab can be selected through electronic selection software.

#### 8.03 ELECTRONIC SELECTION PROGRAM

Distributors will have access to selection programs as follows:

- Airside selection software - all selection programs will be provided according to what is covered in the distribution agreement.
- Chiller selection software - distributor will have limited access to specific types as per the distribution agreement. Otherwise, selections and quotations have to be provided through Flo Fab.

This software selection program can not be given to customers, consultants, contractors.

#### 8.04 INSTALLATION OF SELECTION PROGRAM

Different selection program have different security measures, so please contact your account manager to provide you with proper procedure for software installation.

Distributor has to make sure that the latest selection software is being used all times as instructed by Flo Fab. This is critical to ensure all prices and technical data generated by the selection software are valid.



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# **Section 9**

**Finance and Credit Policy**

## **Distributor Operating Manual**

**Building Efficiency  
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## Finance and Credit Policy

### 9.01 FINANCE AND CREDIT POLICY

#### 9.02 PURPOSE

To provide information and instructions concerning payment and credit facilities.

#### 9.03 LETTERS OF CREDIT

Letters of Credit must be irrevocable and provide a minimum of 90 days between the date of shipment and presentation of the documents to the bank in Dubai.

Letters of Credit must not provide for deferred payment conditions. Flo Fab will provide the following documents:

1. Invoice
2. Bill of lading
3. Packing List
4. Certificate of Origin.

#### A. This Address is applicable for sales **OUTSIDE** the United Arab Emirates

- Beneficiary address :  
Flo Fab  
860 industriel Blvd, Bois-des-filion, Quebec, J6Z 4V7, Canada

#### B. This Address is applicable for sales **INSIDE** the United Arab Emirates

- Beneficiary address :  
Flo Fab  
860 industriel Blvd, Bois-des-filion, Quebec, J6Z 4V7, Canada

1. As an US corporation, Flo Fab is not allowed to accept Letters of Credit or Contracts containing the following conditions:
  - (a). Any documents requiring Flo Fab to participate in the boycott of Israel.
  - (b). LC documents showing nationality/origin of manufacturers, producers or suppliers (because a US entity may not provide information on the national origin of US persons). Documents indicating name and nationality of manufacturers of goods are acceptable.
  - (c). Documents such as vessel eligibility certificates signed by agent(s).





## Finance and Credit Policy

2. Certificates or declarations requiring affirmation that vessels are eligible to enter Arab/Gulf ports should also include a reference that such requirement is due to local regulations or laws of the country.
3. Negotiable documents that are acceptable to Flo Fab for each of the INCO terms of sale are given below:
  - EXW : Commercial invoice, certificate of origin, packing list, FCR
  - FOB : Commercial invoice, certificate of origin, packing list, bill of lading or FCR.
  - CFR : Commercial invoice, certificate of origin, packing list, bill of lading
  - CPT : Commercial invoice, certificate of origin, packing list, TCN/DO

Documents other than those listed above must not be specified in the documentary credit.

### 9.04 DOCUMENTS

#### A. FOB / CFR Shipments

- Commercial Invoice
- Bills of Lading or FCR
- Packing list
- Certificate of origin

#### B. Ex-Factory Shipments

- Commercial Invoice.
- Inland bills of Lading (IBL), for Ex-USA shipments, issued/signed by the forwarder's trucker OR Forwarder's Certificate of Receipt (FCR) issued/signed by the freight forwarder.
- Beneficiary's overseas factory name and address shown as "Shipper" in the IBL or FCR.
- Forwarder's address shown as "Consignee" in the IBL/FCR.
- IBL or FCR "as presented" should be acceptable for negotiation .
- Packing list.

EX-USA shipments through customer nominated forwarder have to be supported with a Power of Attorney and a Letter of Understanding which are mandatory as per US regulation. Please see the formats on next page.

Note: The LC should expressly allow for either "IBL or FCR" (i.e. both documents are acceptable).

#### C. CPT Terms

- Commercial Invoice
- Truck Consignment Note (TCN)
- Packing List

### 9.05 LC EXPENSES PRIOR APPROVAL

1. LC confirmation expenses will be to the LC opener's account. LC advising fees will be to the beneficiary's account. All other charges (including LC acceptance charges) related to the LC will be borne by LC applicant.
2. Beneficiary's confirmation / acknowledgment receipt of the LC terms and conditions will be provided. LC draft copy must be presented to the beneficiary for approval prior to submitting the LC application to the bank.



## Finance and Credit Policy

### POWER OF ATTORNEY FOREIGN PRINCIPAL PARTY IN INTEREST TO FORWARDING AGENT

Know all men by these presents, that (name of buyer) the Foreign Principal Party In Interest (FPPI), doing business at (address of buyer) hereby authorizes (name of US Freight Forwarding Agent) at (address of freight forwarder)

to act for and on its behalf as a true and lawful agent and attorney of the Foreign Principal Party in Interest for and in the name, place and stead of the Foreign Principal Party in Interest from this date, in the United States either in writing, electronically, or by other authorized means to:

Act as Forwarding Agent for Export Control, Census Reporting and Customs purposes, make, endorse or sign any Shipper's Export Declaration (SED) or Electronic Export Information (EEI) or other documents and to perform any act which may be required by law or regulation in connection with the exportation or transportation of any merchandise shipped or consigned by or to the Foreign Principal Party In Interest and to receive or ship any merchandise on behalf of the Foreign Principal Party in Interest.

This Power of Attorney is to remain in full force and effect until revocation in writing is duly given by the Foreign Principal Party in Interest and received by the Forwarding Agent.

IN WITNESS WHEREOF, (Full name of Foreign Principal Party In Interest) caused these presents to be sealed and signed:

Witness: \_\_\_\_\_

Signature: \_\_\_\_\_

Capacity: \_\_\_\_\_

Date: \_\_\_\_\_



## Finance and Credit Policy

### LETTER OF UNDERSTANDING FLO FAB COMPANY - CUSTOMER

With the objective to comply with the laws of the United States of America related to Exports Controls and Corporate Policies, Flo Fab Company Inc., requires this Letter of Understanding to be signed and returned by the Customer whenever a designated freight forwarder is appointed by the Customer.

To proceed with the exportation of all orders from Flo Fab, the Customer must sign this letter of understanding in which it agrees to the following:

#### A. The Customer agrees to:

- Not to make changes, nor authorize its appointed Freight Forwarder or agent(s) to make changes in the documents supplied by Flo Fab which includes changes to prices, destination, or recipient.
- Show the Customer (Foreign Principal Party in Interest) as the Shipper/Exporter of Record, and NOT Flo Fab International Corp. in the preparation of the exportation documents: SED / AES / AWB / BOL.
- Show York International Corp. as the US Principal Party in Interest in the information in the SED/AES in compliance with the United States Customs Department laws prior to the shipping date. (Ocean / air).

#### B. The Customer further agrees to:

- Send a copy of the following documents to Flo Fab International Corp. within 30 days after cargo is released to the customer's freight agent:
  - Copy of the Bill of Lading (BOL) document or copy of the Air Way Bill (AWB) document.
  - Copy of the Shipper Export Declaration (SED) document or the Automated Export System (AES) document
  - Supply a separate SED / AES document for each shipment of York International Corp. product placed in the container or in the air shipment.

The Customer (Shipper/Exporter of Record) agrees upon signing this Letter of Understanding to comply with all above mentioned items and with the Export Laws of the United States of America. The Customer further understands that failure to comply with this process, or provide the requested documents will require that Flo Fab International Corporation charge the Customer all applicable excise tax in according with the laws of the United States Department of Revenue, and will result in the Customer no longer being able to have shipments turned over to an outside forwarder. The Customer understands that this letter will be kept on file and applicable from the signed date until the customer notifies the return to party (listed below) in writing that this Letter of Understanding no longer applies.

\_\_\_\_\_  
Customer's Name

\_\_\_\_\_  
Freight Forwarder's Name

\_\_\_\_\_  
Customer's Signature

\_\_\_\_\_  
Freight Forwarder's Signature

\_\_\_\_\_  
Customer's E-mail & Telephone

\_\_\_\_\_  
Freight Forwarder's E-mail & Telephone

Customer's Legal Address and Phone Number

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_  
DD MM YYYY

Completion of this form is required prior to release of the order to the freight agent of the FFPI.



## Finance and Credit Policy

### 9.06 CREDIT POLICY

All orders require letter of Credit with (60) Sixty Days payment from date of FCR. (Forwarder Cargo Receipt) or TCN (Truck Consignment Note)

Letter of Credit with (60) Sixty Days payment from date of FCR. (Forwarder Cargo Receipt) or TCN (Truck Consignment Note)

#### **Open Account**

Credit facilities are available against bank guarantee(s) subject to acceptance and confirmation of Johnson Controls Credit Control Department (CCD), Dubai.

Enclosed herewith are two (2) bank guarantee (BG) formats. One BG format is for sales OUTSIDE the United Arab Emirates and the other is for sales WITHIN the U.A.E.

Flo Fab will only ship / release and invoice goods up to the value of the bank guarantee. However, Flo Fab may consider and place orders on our factories of a value additional by 25% of Bank Guarantee Value. In case of considerable changes in the market and economic environment, Flo Fab reserves the right take unilateral action and forgo the previous statement. If the Bank Guarantee facility as described above, is fully utilized at the time of placing an order then an alternative method of payment will be required i.e.

- Letter of Credit
- Cash advance
- Make an advanced payment to release an un-utilized portion of the existing BG
- Increase the value of the existing Bank Guarantee

If the goods cannot be shipped at the due time because of bank guarantee limitations then any storage and demurrage costs will be charged to the opener's account.

#### **Ex Factory Orders (Open Account)**

Flo Fab customer services department (CSD) will advise when "Materials are Ready for Shipment" by email or, facsimile to distributors / dealers, forwarding agents and account managers. If for any reason the distributor / dealer / customer do not collect their goods within five (5) working days of notification, then any and all storage / demurrage charges incurred by the Factory will be back charged to the distributor / dealer / customer at actual.

#### **L/C Account (Orders placed on the factory against L/C's)**

If the goods cannot be shipped at the due time because of L/C amendments then any storage and demurrage costs will be charged to the opener's account.

#### **Receivable Account**

- (a). All Invoices due for particular month must be settled on the 15th day of every month by bank telex transfer irrespective of due date, i.e. 1<sup>st</sup> to 31<sup>st</sup> of the month in which due. Also, the bank transfer swift message copy and relevant invoice details must be sent by email or, facsimile for the attention of regional credit controller, Dubai.
- (b). If Invoices are not settled on the 15th of every due month, then Flo Fab reserve the right to charge two percent (2%) per month or, part thereof for additional credit charges against the overdue amount.
- (c). If Invoices become 30 days overdue without a valid reason then, Flo Fab reserves the right to with



## Finance and Credit Policy

hold the shipment of all and any Finished Goods and / or, spares parts. Furthermore, new orders will not be entered on the factories until the overdue amount has been paid.

- (d). If the agreed Credit Limit is exceeded, then Flo Fab will require an alternative payment as described in **9.06 Open Account** above.
- (e). Please confirm AR balance 15th of every month otherwise all posted entries including due dates shall be deemed to be correct.

### Payable Account

- (a). Debit Notes should be sent directly for the attention of Accounts Payable along with copies of Purchase Order, Delivery Notes stamped & signed by Flo Fab authorized management, and if applicable, Job Completion Certificate stamped and signed by Flo Fab authorized management.
- (b). Account Payable Statement of Account to be faxed every 15 days for the attention of Accounts Payable and obtain confirmation of balance due. No Contra Adjustment or, deduction of Debit Notes from Accounts receivable.

All Debit Notes due for a particular month will be settled on 20th of every month irrespective of due date subject to receipt of Flo Fab Invoices settlement for a particular month and No Contra Adjustment will be allowed.

### Bank Guarantees

Flo Fab must receive all and any Bank Guarantee "Extension Amendment" at least Thirty (30) days before the expiry date. Extension of the Bank Guarantee must be valid for One (1) Year. A written confirmation from the Johnson Controls credit controller will be given in acknowledgment of the same.



## Finance and Credit Policy

### 9.07 BANK GUARANTEE FORMAT FOR SALES OUTSIDE THE UNITED ARAB EMIRATES

Date:  
Our Ref.:

Flo Fab  
860 Industriel Blvd, Bois-des-filion, Quebec  
J6Z 4V7, Canada

Dear Sirs

Sub: Advance bank guarantee number ----- for AED -----.

At the request of Flo Fab, 860 Industriel Blvd, Bois-des-filion, Quebec (hereinafter referred to as "Flo Fab"), PO Box J6Z 4V7, CA United Arab Emirates, we, Standard Chartered Bank : \_\_\_\_\_ hereby irrevocably and unconditionally guarantee to hold at your disposal the sum of AED ----- (AED ----- only), representing --% of the order ----- dated ----- towards obligations relating to supply ----- relating to above order.

This guarantee shall be valid till \_\_\_\_\_. Any claim made under this guarantee must be in writing along with the original & amendments (if any) and delivered to the Bank's office at : \_\_\_\_\_ U.A.E. on or before EXPIRY DATE 12.00 noon U.A.E. time. Claims received after EXPIRY DATE, 12.00 noon U.A.E. time will not be honoured.

This guarantee shall come to effect as from the date AED ----- (AED ----- only) is received into account number : \_\_\_\_\_ of Flo Fab with us. (Standard Chartered Bank, \_\_\_\_\_).

This guarantee sum shall be paid in whole or part to you upon your first written demand, without any question or reference to M/s Flo Fab Inc. (\_\_\_\_\_ branch), stating that:

1. Flo Fab have failed to fulfil all or any of their obligations under the above mentioned purchase order and
2. We have not cancelled/amended the abovementioned order so as to stop Flo Fab from performing as per our abovementioned order.

The written demand should be accompanied by a copy of the letter sent to Flo Fab informing them of such failure and your intention to draw under this bank guarantee. This letter should be sent to Flo Fab at least thirty (30) days prior to your written demand.

This guarantee is personal to you and is not assignable or transferable.

This guarantee shall be returned to us either upon its expiry or upon Flo Fab fulfilment of obligations and commitments, whichever is earlier. This guarantee shall become null and void after its expiry and will be automatically cancelled whether or not it is returned to the bank.



## Finance and Credit Policy

### 9.08 BANK GUARANTEE FORMAT FOR SALES WITHIN THE UNITED ARAB EMIRATES

Date:  
Our Ref.:

Flo Fab  
860 Industriel Blvd, Bois-des-filion, Quebec  
J6Z 4V7, Canada

Dear Sirs

Sub: Advance bank guarantee number ----- for AED -----.

At the request of Flo Fab, 860 Industriel Blvd, Bois-des-filion, Quebec (hereinafter referred to as "Flo Fab"), PO Box J6Z 4V7, CA United Arab Emirates, we, Standard Chartered Bank : \_\_\_\_\_ hereby irrevocably and unconditionally guarantee to hold at your disposal the sum of AED ----- (AED ----- only), representing --% of the order ----- dated ----- towards obligations relating to supply ----- relating to above order.

This guarantee shall be valid till \_\_\_\_\_. Any claim made under this guarantee must be in writing along with the original & amendments (if any) and delivered to the Bank's office at : \_\_\_\_\_ U.A.E. on or before EXPIRY DATE 12.00 noon U.A.E. time. Claims received after EXPIRY DATE, 12.00 noon U.A.E. time will not be honoured.

This guarantee shall come to effect as from the date AED ----- (AED ----- only) is received into account number : \_\_\_\_\_ of Flo Fab with us. (Standard Chartered Bank, \_\_\_\_\_).

This guarantee sum shall be paid in whole or part to you upon your first written demand, without any question or reference to M/s Flo Fab Inc. (\_\_\_\_\_ branch), stating that:

1. Flo Fab have failed to fulfil all or any of their obligations under the above mentioned purchase order and
2. We have not cancelled/amended the abovementioned order so as to stop Flo Fab from performing as per our abovementioned order.

The written demand should be accompanied by a copy of the letter sent to Flo Fab informing them of such failure and your intention to draw under this bank guarantee. This letter should be sent to Flo Fab at least thirty (30) days prior to your written demand.

This guarantee is personal to you and is not assignable or transferable.

This guarantee shall be returned to us either upon its expiry or upon Flo Fab fulfilment of obligations and commitments, whichever is earlier. This guarantee shall become null and void after its expiry and will be automatically cancelled whether or not it is returned to the bank.



**Engineered  
System  
Group**

# **Section 10**

**Warrantly Policy**

## **Distributor Operating Manual**

**Building Efficiency  
Helping People Achieve**





## Warranty Policy

### 10.01 GENERAL

Flo Fab products are manufactured in strict compliance with Flo Fab standards and codes of practice. Furthermore, Flo Fab products comply with recognized International standards as may be referenced in the applicable Flo Fab product literature. Flo Fab International endeavors to provide our distributors and their Customers / End Users with high performance and superior quality heating and air conditioning equipment. To support this endeavor, Flo Fab International Middle East ESG Marketing Group will provide an efficient and prompt "After Sales Service" to our distributors that will include :

- ESG Spare Parts
- Technical & Quality support
- Installation, Application & Service Training
- Product Warranty

Flo Fab Middle East marketing group will provide our distributors with limited warranty coverage in respect of ESG finished goods. Limited warranty coverage will be in accordance with the terms and conditions set forth in this policy.

Warranty terms and conditions may be subject to change / amendments as and when appropriate. The ESG warranty policy and procedures are designed to assist our distributors with the registration and administration of warranty claims. The policies and procedures contained herein shall serve as operating instructions when processing claims. Compliance with this policy will ensure a prompt response and quicker settlement of warranty claims.

It is our intention to address all technical, quality and warranty issues to the satisfaction of our distributors within an acceptable time frame and clearly defined policies and channels of communications.

### 10.02 DISTRIBUTOR RESPONSIBILITIES

1. Implement and strictly abide by the terms and conditions of the prevailing ESG warranty policy. Flo Fab will not accept, or be liable for any unauthorized warranty coverage and/or extended warranty period that may have been given by the Flo Fab distributor, dealer or third party to their customer, or end user. The use, or implication of the Flo Fab name, or ESG product group name, or ESG marketing group name with any extended warranty, or statement of additional coverage is strictly prohibited. All and any extensions, amendments, alterations or deviations from this warranty policy must be approved in writing by the regional marketing manager, Flo Fab Middle East.
2. Ensure that all customers are given and made aware of the standard warranty terms and conditions as contained within this policy
3. Guarantee dealer workmanship, material and any other equipment not supplied by Flo Fab International.
4. All warranty claims must be sent by email to Warranty Coordinator.



## Warranty Policy

4. In the unlikely event that distributor is requested to perform retrofit work on behalf of Flo Fab international then Flo Fab will reimburse the distributor with the full cost of parts, components, materials, consumables and labor as appropriate. The full cost of such work will be pre-agreed between Flo Fab and the distributor prior to the commencement of any retrofit work.

### 10.03 WARRANTY POLICY AND DETAILS

Product warranty is a measure of Flo Fab integrity and confidence as a designer, manufacturer and supplier of Pumps, Tanks, Heat exchangers. Flo Fab International manufactured products and Flo Fab branded products are guaranteed to be free from defects in material and workmanship (under normal use and maintenance) for a specified period of time.

#### **Warranty Claim - Time Frames**

All warranty claims MUST be submitted on the Flo Fab “ESG Distributor Warranty Claim Form” within 20-25 days of failure, soft copy of the form (excel sheet) is attached. This excel sheet has macros; all distributors need to fill the form and enter the submit button, it will automatically update the register sheet.

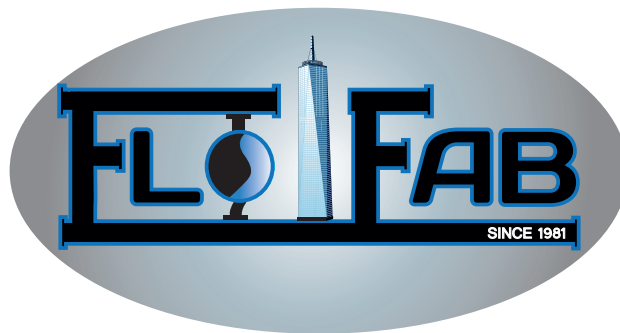
Note: This excel sheet should be used in “macro enabled” mode.

The warranty department in Dubai will review and respond to every claim within Thirty (30) Calendar days of receiving the warranty claim form complete with full and final information.

#### **Exclusions from the Standard Warranty**

Unless agreed in writing, the standard warranty policy does not cover the following :

1. Inland freight, airfreight and/or shipping costs, import duties, taxes, port clearance charges, insurance or any other costs associated with shipment of replacement (warranty) parts/components/materials from the point of origin to the destination.
2. All labor costs and consumables such as filters, drive belts, refrigerant, nitrogen, oils etc.
3. Damage due to loading, unloading, transportation, installation or improper servicing and maintenance.
4. Damage due to accident, abuse, fire, flood, war, or acts of God.
5. Alteration to the original nameplate : Tampering, altering, defacing or removing the product nameplate, model and/or serial number will render the warranty null and void.
6. Damage resulting from the installation and operation of product in a corrosive atmosphere.
7. Improper installation, service, maintenance and application of product.
8. Damage resulting from an improper and/or inadequate electrical power supply.
9. Regular maintenance as recommended in the Flo Fab IOM's.



## Warranty Policy

10. Damage resulting from the installation, application or use of NON Flo Fab parts, components and / or accessories with Flo Fab products.
11. Components, materials and parts not originally supplied, or approved by the marketing group.

### **Disposal of Defective Parts / Components (Non Compressors)**

All defective/failed non-compressor parts and components must be retained for inspection at the distributor/ dealer premises for a minimum period of three (3) months from the date of the warranty claim. If Flo Fab personnel do not inspect the retained parts/components within this three (3) month period then the distributor/ dealer has the right to remove and dispose of the failed/defective parts/components without prior notification to the warranty department located in Dubai.

Refer to Engineered Systems Group (ESG) Middle East Warranty Policy (Reference: YME/QA/ASWP/02 supersedes YME/QA/ASWP/01) in the following page for more information.

## Engineered Systems Group (ESG) Middle East Warranty Policy

Flo Fab Middle East warrants all ESG equipment and materials of its manufacture (This includes chillers, AHUs, FCUs and CCUs.), or installation or start-up services in connection therewith, against defects in workmanship and material for a period of eighteen (18) months from date of shipment, or twelve (12) months from date of start up, whichever occurs first.

Subject to the general conditions listed below, Flo Fab, at its option, will repair or replace, FOB point of shipment or delivered to site such Flo Fab products or components as it finds defective. On materials or components furnished by Flo Fab, but manufactured by others, Flo Fab will provide the same warranty it receives from the manufacturer.

### General Conditions :

1. This warranty applies only to the original owner, and with respect to the original installation.
2. No changes in this warranty or in the terms and conditions herein, shall be valid unless confirmed in writing and signed by an authorized officer of Flo Fab, and carrying Flo Fab stamp.
3. For compressorised equipment this warranty includes the cost of labour in repairing or removing a defective part, and in installing a replacement part.
4. For non compressorised equipment, unless specifically agreed to in the contract documents, this warranty does not include the cost of labor in repairing or removing a defective part, or in installing a replacement part.
5. For compressorised equipment Flo Fab shall have no obligations under this warranty unless the equipment was started-up or commissioned by an authorized Flo Fab branch or office.
6. Flo Fab shall have no obligations under this warranty unless the equipment was installed in strict accordance with Flo Fab installation instructions, and was operated at its specified conditions and in accordance with Flo Fab's written recommendations.
7. Flo Fab shall have no obligations under this warranty, if in the opinion of Flo Fab, the equipment was subject to damage in transit, deterioration and damage while stored by someone other than Flo Fab, or on site, or was improperly maintained, serviced or repaired by a third party in such a way as to adversely effect its reliability or if the equipment was subjected to misuse, neglect, alterations, modifications, accidents, floods, acts of god or defect arising from normal wear and tear or if equipment was operated by a site generator with associated, external to equipment, electrical wiring not in accordance with local codes, or if equipment is damaged due to dirt, air, moisture, or other foreign matter entering the refrigerant system.  
The maintenance must be performed at the specified time interval by an Industry Certified Technician who has been trained and qualified to work on this type of Flo Fab equipment. A record of this procedure being successfully carried out must be maintained on file by the equipment owner should proof of adequate maintenance be required at a later date for warranty validation purposes.  
In the event, startup or useful operation does not occur within six (6) months of shipment, long-term storage provisions apply. Guidelines for storage preparation of the unit is available on request from Flo Fab Sales or Service dept. Failure to follow the guidelines specified in form # QA/LSP/01 could result in loss of warranty coverage.
8. Flo Fab shall have no obligation under this warranty, if the equipment serial number has been altered, defaced or removed.
9. The equipment or part thereof, shall be returned in accordance with instructions received from Flo Fab or its authorized representative. This warranty shall not include the cost associated freight or delivery charges.  
Prior to the return of any equipment or part, due notification must be given, in writing to Flo Fab authorized Representative or directly to Flo Fab.
10. Flo Fab does not warrant, in any way the suitability or fitness, of the supplied equipment for any specific application or the performance of the equipment to match specific conditions for a specific end-usage. Capacities as catalogued by Flo Fab for its equipment are correct subject to normally stated industry standards.
11. Any replacement and/or repairs carried by Flo Fab under warranty shall not extend the original equipment warranty beyond the stated period in this warranty, unless priorily agreed as per clause – 2 above.
12. All Warranties are void if equipment is used with refrigerants, oil, or antifreeze agents other than those authorized by Flo Fab
13. All Warranties are void if equipment is used with any material or any equipment such as evaporators, tubing, other low side equipment or refrigerant controls not approved by Flo Fab.
14. All Warranties are void if equipment is not properly stored, protected or inspected by the customer during the period from the date of shipment to date of initial start-up.
15. Unless specifically agreed to in the contract documents, this warranty does not include cost of refrigerant or shipping, handling or transportation charges, including cranes, safety walk or other safety requirements specific to job site.
16. This warranty is in lieu of all other warranties and liabilities, express or implied in law or in fact, including the warranties of merchantability and fitness for a particular purpose. The warranties contained herein set forth buyer's sole and exclusive remedy in the event of a defect in workmanship or materials. In no event shall Flo Fab's liability for direct or compensatory damages exceeds the payment received by Flo Fab from buyer for the material or equipment involved. Nor shall Flo Fab be liable for any special, incidental or consequential damages. These limitations on liability and damages shall apply under all theories of liability or cause of action, including, but not limited to contract, warranty, tort (including negligence) or strict liability. The above limitations shall insure to the benefit of Flo Fab's suppliers and subcontractors.





# Warranty Policy

## ESG DISTRIBUTOR WARRANTY CLAIM FORM

### JOHNSON CONTROLS MIDDLE EAST - ESG DISTRIBUTOR WARRANTY CLAIM FORM

CLAIM NUMBER	:	<input type="text" value="1"/>	Quarter # *	<input type="text"/>	YEAR *	<input type="text"/>
DISTRIBUTOR NAME *	:	<input type="text"/>				

UNIT MODEL *	:	<input type="text"/>
SERIAL # *	:	<input type="text"/>
SITE / PROJECT NAME *	:	<input type="text"/>
CAUSE OF FAILURE / REMARKS *	:	<input type="text"/>

#### DEFECTIVE PART DETAILS

MODEL *	:	<input type="text"/>
SERIAL NO. *	:	<input type="text"/>
PART NO. *	:	<input type="text"/>
DESCRIPTION *	:	<input type="text"/>
FAILURE DATE *	:	<input type="text"/>

#### REPLACEMENT PART DETAILS

MODEL *	:	<input type="text"/>
SERIAL NO. *	:	<input type="text"/>
PART NO. *	:	<input type="text"/>
NON - YORK	:	<input type="text"/>
VALUE US(\$)	:	<input type="text"/>

- NOTE: 1) COPIES OF LPO & PURCHASE RECEIPT MUST BE SCANNED AND SENT BY E - MAIL IF A "NON-FLOFAB" PART/COMPONENT IS INSTALLED.  
 2) CLAIM CAN BE SUBMITTED ONLY AFTER COMPLETING ALL MANDATORY FIELDS (MARKED WITH\*)  
 3) IF ANY OF THE MANDATORY MARKED FIELDS ARE NOT RELEVANT WITH A PARTICULAR CLAIM, KINDLY ENTER "NOT APPLICABLE"



**Engineered  
System  
Group**

# **Section 11**

**BOS Policy, Factory Visits  
Customer Travel &  
Entertainment**

**Distributor  
Operating  
Manual**

**Building Efficiency  
Helping People Achieve**

## BOS Policy - Providing Travel, Gifts & Entertainment to Customers

### 11.01 TRAVEL (INCLUDING FACTORY VISITS), GIFTS & ENTERTAINMENT TO CUSTOMERS

Issued September 2012

#### 11.02 PURPOSE

To provide standard procedures which ensure implementation of relevant existing provisions per the Johnson Controls, Inc. Code of Ethics and to make customer visits to Flo Fab factories in various countries more beneficial and informative.

#### 11.02 DEFINITIONS

1. Government Customer – (i) Any employee, representative officer, director, agent, consultant or board member of any body or branch of national, regional, provincial, state, municipal or local government, whether legislative, executive, or judicial, or any person acting in an official capacity on behalf of a government entity; (ii) an officer, representative director, employee, agent, consultant, or official of a public international organization officials of political parties, candidates for political office, political parties; (iii) officers, representative directors, employees, agents, consultants, or officials of business entities owned, operated or controlled by, or otherwise under the influence of, a governmental body, agency or entity. Business entities may be “controlled by” a government even though government ownership is less than 50%. The determination of government control should be made on a case-by-case basis in consultation with the Regional Director of Legal Compliance.
2. Commercial Customer – An entity, business, or individual that is not a Government Customer, as defined above.
3. Customer – Indicates Government Customers and Commercial Customers, collectively.
4. Relationship Building – Business activity, including occasional, culturally appropriate and legal gifts and entertainment in accordance with this Policy and Flo Fab’ (Flo Fab’s) Ethics Policy, aimed at building trust and confidence between current and potential customers of Flo Fab, as well as familiarity with Flo Fab’s technical and business competence and leadership. Relationship Building never includes any activity intended to induce or reward any person for taking action or making any decision that benefits Flo Fab economically or otherwise. Any Relationship Building with actual or potential government customers beyond nominal value gifts and entertainment should not be given without prior approval from the Regional Director of Legal Compliance.
5. Special Occasion – (a) holidays such as Christmas, Chinese New Year, Autumn Festival, Bastille Day; (b) illness, accident or injury; (c) appointment of new chairman, president or director, promotion/elevation, retirement; or (d) birth, wedding or funeral.
6. Gift – Giving anything of value, including cash or cash equivalent, to a third party. This does not include charitable contributions or sponsorships. (See Charitable Contributions Policy BOS 15-00.105.BEHQ and Events Sponsorship Policy BOS 15-00.106.BEHQ)
7. Price Approval – A term used to describe situations for which formalized management approval is required prior to execution of a transaction and commitment or actual spending of money by Flo Fab. Price Approval is a process that is intended to prevent potentially improper or unacceptable activities. Price Approval is not the same as approval. If a transaction or activity has been pre-approved in advance, that same transaction still requires management approval as per the approval matrix rules. The approval of spending would typically take place at some point after Price Approval of a contemplated transaction.



## 11.03 PROCEDURES

### A. Guidelines for Providing Travel to Customers

1. Flo Fab occasionally and under specific circumstances supports travel by government or commercial customers. Customer travel paid for or otherwise sponsored by Flo Fab must be for appropriate business purposes. Flo Fab will not support Customer travel that is illegal or specifically for entertainment, recreation or unrelated to Flo Fab business.
2. Flo Fab funded or sponsored Customer travel may take various forms, including direct payment of expenses to service vendors, payment for airline tickets, class ESGrades, providing a Flo Fab host or other arrangements, hosting the Customer at a Flo Fab facility or elsewhere, or writing a letter in support of a visa for a Customer.
3. Flo Fab will sponsor Customer travel only when such sponsorship is permitted by law, including the Customer's local laws and regulations. Additionally, there must be full compliance with all required approval procedures under these laws, rules, and regulations. When Flo Fab pays for Customer travel, the Flo Fab sponsor must obtain a written confirmation from the sponsored traveler that the travel has been approved by the traveler's employer and is in compliance with their local laws and regulations.
4. There must be a valid business purpose for Flo Fab connected with each stop on the sponsored Customer's itinerary. Examples include, but are not limited to: formal training; meetings with key personnel; visits to a Flo Fab facility such as a manufacturing facility, office, regional, business or corporate headquarters, or visits to view and test installed systems created by Flo Fab or Flo Fab customers. Travel to locations typically considered tourist or vacation locations should be carefully scrutinized to ensure there is a compelling and written explanation to sponsor travel to such a location.
5. Stopovers or layovers of 24 hours or greater at a location that is not the final destination of the Customer travel without a valid business purpose are not permitted unless due to flight cancellations or weather conditions.
6. No more than one business day for each work week for each stop may be spent on non-business events. The itinerary must not include more than one non-business day (other than for travel) in each work week.
7. A Flo Fab employee or representative should accompany the Customer during all regular business hours and at all Flo Fab sponsored evening and weekend entertainment.
8. The length of the trip must be commensurate with the business purpose. The quality of the accommodations should be commensurate with the quality of travel and accommodations permitted Flo Fab employees on Flo Fab business trips.
9. The timing of the Customer travel must be connected with the timing of the business purpose. For example, prior to installation of equipment, a pre-delivery/installation trip would be appropriate.
10. Expenses for spouses, family members or personal guests that accompany the Customer will not be paid for, nor sponsored by Flo Fab.
11. Payments of all approved Customer travel related expenses, whether made directly by Flo Fab employees or invoiced from the customer, are to be made directly by Flo Fab to the providers of service. Cash or cash equivalents will not be given or paid to a Customer to pay for such expenses.
12. Expenses incurred for Customer travel may be processed through an employee's travel and expense report or through a direct invoice to Flo Fab that is sent through the accounts payable process. Special attention must be made for required Price Approvals and post transaction approvals as indicated below in this Policy.
13. International Customers often require an invitation from a host country sponsor in order to obtain a visa. Requests - for invitation letters must be approved by the Regional Director of Legal Compliance. The invitation letter must include the purpose of the trip proposed visit dates and duration of the stay, and identify whether Flo Fab will be paying for the Customer's trip. Invitation letters should not be issued at the sole request of a travel agency.



14. The Request A Visit Form (format attached) must be completed and authorized in advance of any travel to be paid by Flo Fab by the respective Flo Fab account Supervisor / Manager.
15. If the requested travel is for a Government Customer, the Request A Visit Form must be submitted, fully completed, by the respective Flo Fab account Supervisor / Manager to the Regional Director of Legal Compliance at least three weeks prior to the extension of an invitation to the Government Customer's proposed departure date. Requestors are encouraged to submit the completed form at the earliest practicable date, to ensure timely processing. The Government Customer must be notified in writing of the purpose of the travel and all the expenses for which Flo Fab will pay. Government Customers must be informed that any offer of travel is conditional on receipt of final approval of the Regional Director of Legal Compliance.
16. Refer to the Global Authorized Approval Authority Matrices (BOS 14-00.501.BEHQ, Operations, and BOS 14-00.502.BEHQ, Central Functions) to determine the necessary approval requirements for Customer travel.

**B. Guidelines for Gift Giving to Customers**

1. Flo Fab employees cannot give Customer gifts that are cash or cash equivalents, illegal, extravagant, frequent, or which could be viewed by a reasonable third party as likely to confer an improper advantage to Flo Fab, its officers, employees or associates, or any company that is a subsidiary, affiliate or otherwise an entity related to Flo Fab. However, for Special Occasions, cash or cash equivalent gifts may be appropriate if pre-approved by the Regional Director or Legal Compliance.
2. Even though the gift is for a Special Occasion, the monetary threshold requiring Legal Compliance approval still applies for Government Customers.
3. Any gift made by a Flo Fab employee to a Customer must be given on behalf of Flo Fab, not on behalf of a particular employee.
4. All gifts made to Customers must be paid with Flo Fab' funds. The expenses must be properly recorded in HFM account #7240 as defined in the Chart of Accounts – FCPA Sensitive Accounts Policy (BOS 14-00.002.BEHQ).
5. Flo Fab employees are prohibited from loaning any money or items of value to Customers or potential customers.
6. Gifts or funds may not be provided to any third party, such as an agent, subcontractor, sales representative, intermediary (e.g. hotels or event planners), or other person or company, with the intention that all or part of the funds or gifts will be offered, promised, or given, directly or indirectly, to a customer or prospective customer in violation of this policy.
7. As used in this policy the "value of a gift" or "gift value" refers to market value at the time the gift is given.
8. The Flo Fab employee must ensure that any gift contemplated does not violate the Customer's governing laws, regulations, policies or rules.
9. The Flo Fab employee who wishes to request a company paid gift must complete the Gift Authorization Form (BOS 14-00.205A.BEHQ).
10. Government business often involves special laws and regulations, and to avoid any appearance of impropriety, special care must be taken to ensure that, where allowed, gifts to Government Customers are legal, reasonable and recorded properly.
11. Flo Fab employees may not give a Gift to a Government Customer reasonably close to the submission of a public tender proposal, or while regulatory approvals or decisions are pending, when the official has a role or influence in the evaluation, selection or administration of the tender, contract or other approval or decision.
12. Refer to the Global Authorized Approval Authority Matrices (BOS 14-00.501.BEHQ, Operations, and BOS 14-00.502.BEHQ, Central Functions) to determine the necessary approval requirements for Customer gifts.

**C. Guidelines for Providing Entertainment to Customers**

1. Reasonable entertainment of Customers for meals and special events (sporting events, performances, shows, theater, etc.) is commonly and generally acceptable business practice. Such practices are acceptable, as long as (i) the entertainment is not illegal, extravagant, frequent or poorly reflect upon Flo Fab, (ii) the principal aim is to discuss business matters, build business relationships and not to influence the customer improperly and (iii) when applicable, the special requirements for Government Customers are followed.
2. Payment for Customer entertainment should be made by a Flo Fab employee using a company credit card, directly to the goods or services provider. Cash or cash equivalent will not be given or paid to a Customer for reimbursement of entertainment expenses. For Flo Fab employee reimbursement, the details of the expenditure, including the names of all persons entertained, including each participating Flo Fab employee.
3. Customer entertainment should be local, except in connection with authorized Customer travel.
4. The Flo Fab employee who wishes to provide Customer entertainment has the obligation of determining whether the proposed entertainment is legal and ethical. If there is a doubt, the employee should contact management and the Regional Director of Legal Compliance in advance of the proposed entertainment.
5. Government business often involves special laws, regulations and obligations, and to avoid any appearance of impropriety, special care must be taken to ensure that entertainment of Government Customers is legal.
6. It is strictly prohibited to offer or provide anything of value to a Government Customer with the intention of seeking to influence the official to confer a benefit on Flo Fab, or to refrain from acting to the detriment of Flo Fab.
7. Flo Fab employees may not invite a Government Customer to a meal or an event reasonably close to the submission of a public tender proposal, or while regulatory approvals or decisions are pending, when the official has a role or influence in the evaluation, selection or administration of the tender, contract or other approval or decision.
8. Refer to the Global Authorized Approval Authority Matrices (BOS 14-00.501.BEHQ, Operations, and BOS 14-00.502.BEHQ, Central Functions) to determine the necessary approval requirements for Customer entertainment.

**BOS Policy**  
**Providing Travel, Gifts and**  
**Entertainment to Customers**

**Form 1**  
**GIFT REQUEST**

1. Requestor name:
2. Business Unit/Country:
3. Phone/Fax/Email of requestor
4. Proposed recipient name, title, and organization (NOTE: All information requested by this form must be provided for **each** recipient)
5. Government affiliation of organization (if any):
6. Is the gift to an individual or to an organization?
7. If an organization; is that organization a Flo Fab customer? a regulator?, and elected or appointed government official? [indicate all that apply]
8. What is the fair market value of the proposed gift in US Dollars as of the proposed date of giving?
9. What is the gift and reason for giving the gift?
10. Describe the recipient (If the recipient is an organization or entity, answer for the representative who will receive the gift on behalf of the organization or entity)
11. Does the recipient have influence or a role in the award, performance, or approval of contracts with any part of Flo Fab? If yes, please explain the recipient's role in past, pending or upcoming business with Flo Fab:
12. Does the recipient take part in any government decision, regulation, license, permits, awards, etc. that affect Flo Fab's business? If yes, please explain the recipient's role in past, pending or upcoming decisions affecting Flo Fab:
13. Does the recipient have a departmental or organization code of conduct or guidelines concerning the receipt of gifts?

**BOS Policy**  
**Providing Travel, Gifts and**  
**Entertainment to Customers**

**Form 1**  
**GIFT REQUEST**

14. If the answer to question 13 above is "yes", does the proposed gift comply with or violate this code of conduct or guidelines?

15. Gifts (including value) provided to same recipient within last 12 months:

**Approvals:**

Requestor: I have personally verified the accuracy of the information provided above and, based on that information, I believe that the proposed gift will not violate any policy of the recipient organization.

Management: I have questioned the accuracy and completeness of the information provided above, am satisfied that the information is complete and accurate and I approve this expenditure.

Law Department: Based on the information above the proposed gift does not appear to violate U.S. law or the Flo Fab Ethics Policy.

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ENG\_Gift DAauthorization DForm\_Oct09\_14-00.205A.BEHQ.doc



## Factory Visits

### 11. 04 INFORMATION FORMAT

To facilitate optimum utilization of the time spent by the customer in the Johnson Controls factory, a visit information format has been introduced. Before initiating travel arrangements, information required to complete the visit form should be sent to your **Flo Fab account manager at least 45 days prior to the intended date of travel**. The customer should only embark on the factory visit once he receives clearance from the account **Supervisor / Manager after all Flo Fab internal approvals are obtained**. The information format is available on next page.

**QUESTIONNAIRE BELOW IS REQUIRED FOR EACH INDIVIDUAL VISA INVITATION LETTER AND/OR CUSTOMER VISIT SUBMITTED FOR SIGNATURE BY FLO FAB MANAGEMENT AND/OR FLO FAB LEGAL DEPARTMENT.**

**COST INFORMATION SHOULD BE PROVIDED FOR THE ENTIRE TRIP FOR ALL PERSONS**

Invitation Letters will NOT be signed unless questions answered IN FULL

**1. SUMMARY OF REQUEST**

*All cost data should be for the entire trip, for all participants, not just for the person to whom the questionnaire section applies.*

<b>PO Number (if available)</b>		<b>Project Name:</b>	
<b>Customer name:</b>		<b>Project Value (\$):</b>	
<b>Cost allowed in PASO (\$):</b>		<b>Project margin (or SMP)</b>	
<b>Estimated trip costs (\$): (total costs)</b>		<b>Factory Name:</b>	
<b>Is the estimated trip cost equal to or less than the PASO? (Yes or No) If No, explain why.</b>		<b>Contract location (Country):</b>	
<b>Total participants FLO FAB :</b>		<b>Total participants customer:</b>	
<b>Trip duration (Days):</b>		<b>Total "government" participants</b>	
<b>Business purpose Note that if multiple parties are involved explain the connection between each including who is the Customer, End User, Consultant, Contractor, etc.</b>			
<b>Government participants – (a) is there a contractual obligation to provide this trip? (Yes or No) (b) if Yes, has evidence of that been attached to this questionnaire? (Yes or No). Note that there must be an offer and acceptance to form a contractual obligation (i.e. a quote and purchase order together, or equivalent). (c) do the trip details and costs reflect those obligations evidenced in the attachments? (Yes or No). If No, explain the difference.</b>			

## **2. TRAVEL DETAILS**

*Please provide flight details in this section. Costs can be for the total ticket. If available at the time of the request, attach quotation/reservation as well.*

***Details should only be provided if FLO FAB is paying for the costs***

Item	From	To	Date (mm/dd/yy)	Class	Cost (\$)
1					
2					
3					
4					
5					
6					
7					
<b>Total costs (\$)</b>					
Flight Cost include FLO FAB and customer expenses (answer Yes or No)					Yes/No
<b>Other comments on Flight costs:</b>					
<p><b>Will FLO FAB make all payments direct to the provider of the applicable services? (Yes or No). If No, please explain to whom payments shall be made and why?</b></p>					
<p><b>Are all costs to be paid by FLO FAB in compliance with the policy "Providing Travel, Gifts &amp; Entertainment to Customers" plus any FLO FAB regional policy on travel &amp; expenses? (Yes or No). If No, please explain the basis for noncompliance with either of these policies. Note that the Requestor and Country/Regional Manager are responsible for ensuring compliance with these policies.</b></p>					

*Please provide hotel details and estimated hotel costs in this section. In case the hotel name is not yet known, enter "TBD", but do always provide the other information.*

***Details should only be provided if FLO FAB is paying for the costs***

Hotel name	Cost / night	Nr. of people	Nr. of nights	Cost (\$)
<b>Total travel costs (\$) (Flight + hotel)</b>				
Flight Cost include FLO FAB and customer expenses (answer Yes or No)				Yes/No
<b>Other comments on Hotel costs:</b>				
<p><b>Will FLO FAB make all payments direct to the provider of the applicable services? (Yes or No). If No, please explain to whom payments shall be made and why?</b></p>				
<p><b>Are all costs to be paid by FLO FAB in compliance with the policy "Providing Travel, Gifts &amp; Entertainment to Customers" plus any FLO FAB regional policy on travel &amp; expenses? (Yes or</b></p>				





**4. QUESTIONNAIRE**

*Repeat only this page for each of the travelers on the trip.*

<b>PO Number (if available)</b>		<b>Project Name:</b>	
<b>Customer name:</b>		<b>Project Value (\$):</b>	
<b>Cost allowed in PASO (\$):</b>		<b>Project margin (or SMP)</b>	
<b>Estimated trip costs (\$): (total costs)</b>		<b>Factory Name:</b>	
<b>Business purpose</b>			

1. Name of visitor requesting invitation letter?
2. Is FLO FAB paying for airline ticket/hotel expenses?
3. Confirm that any tickets we purchase are only for business, not vacation.
4. Properly identify the name of the company the person works for.
5. Is this entity a governmental entity?
6. Confirm that the person identified is an employee of the company identified in the letter.
7. Confirm that you have personally verified that the listed company has purchased YORK equipment.
8. Confirm that they will have return air tickets at the time of arrival.

**5. REQUESTOR DETAILS**

<b>Form Completed by (Name)</b>	
<b>Form Completed by (Title)</b>	
<b>Office location</b>	
<b>Date</b>	

**6. APPROVALS**

<b>Designation</b>	<b>Name</b>	<b>Signature</b>	<b>Date</b>
Country/ Regional Manager			
Finance Director Middle East			
VP/GM Middle East			
BE Legal counsel			



NOTES

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## We are in the business of building efficiency

Flo Fab creates buildings and environments that help people achieve. We do that by making environments healthier. Saving energy. Enhancing operations. And creating sustainable solutions for our partners all over the world. Building on a legacy over 35 years, we're experts at delivering solutions for commercial buildings, institutions, hospitals, schools, district cooling plants, process facilities and more. And as challenges arise for greater energy efficiency and more sustainable facilities, we'll help you overcome them with the widest technology and service portfolio in the world.

Innovation. Partnership. Human Achievement.

Distributor/ Representative Operating Manual

We reserve the right to change in part or in whole without prior notice.

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