

GENERAL TERMS & CONDITIONS OF TRADE

1. DEFINITIONS

- 1.1 The following words shall have the following meanings:
- “Conditions” means the terms and conditions set out in this document;
- “Contract” means the contract between the Supplier and the Customer for the sale and purchase of the Goods in accordance with these Conditions;
- “Customer” means the person or firm who purchases the Goods from the Supplier;
- “Force Majeure Event” means an event which is beyond the reasonable control of the Supplier (including but not limited to any act of God (such as, but not limited to, fires, explosions, earthquakes, drought, tidal waves and floods), civil disturbance, strike, terrorist attack or military action), and which prevents or materially degrades the Supplier’s ability to perform its obligations under these Conditions and which could not have been and should not have been avoided or mitigated by the activation of a business continuity and/or disaster recovery plan of a type that a prudent operator in the Supplier’s industry could be expected to have in place, and provided that mere shortage of materials, equipment or labour shall not constitute a Force Majeure Event unless this shortage is caused by events or circumstances which are themselves a Force Majeure Event;
- “Goods” means the goods (or any part of them) set out in the Order;
- “Intellectual Property Rights” means patents, inventions, know how, trade secrets and other confidential information, registered designs, copyrights, database rights, design rights, rights affording equivalent protection to copyright, trade marks, service marks, logos, domain names, business names, trade names, moral rights, and all registrations or applications to register any of the aforesaid items, rights in the nature of any of the aforesaid items in any country or jurisdiction, rights in the nature of unfair competition rights and rights to sue for passing off and any renewals, revivals or extensions of any of these rights;
- “Order” means the Customer’s order for the Goods, as set out in the Customer’s purchase order form, the Customer’s e-mail instruction or the Customer’s written acceptance of the Supplier’s quotation, as the case may be
- “Specification” means any specification for the Goods, including any related plans and drawings, that is agreed in writing by the Customer and the Supplier;
- “Supplier” means Watts Industries UK Limited a company incorporated in England and Wales under company number 02642521 whose registered office is at Ambuscade Road, Colmworth Business Park, Eaton Socon, St. Neots, Cambridgeshire PE19 8YX;
- “Working Day” means a day other than a Saturday, Sunday or Bank Holiday in England;
- 1.2 A “person” includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.3 A reference to a “company” shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and vice versa.
- 1.5 A reference to a statute, statutory provision or any subordinate legislation made under a statute is to such statute, provision or subordinate legislation as amended or re-enacted from time to time and, in the case of a statute, includes any subordinate legislation made under that statute from time to time.
- 1.6 A reference to writing or written includes faxes.
- 1.7 Any phrase introduced by the terms “other”, “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words following those terms.

2. BASIS OF CONTRACT

- 2.1 These Conditions apply to the Contract to the exclusion of any other terms that the Customer seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.
- 2.2 The Order constitutes an offer by the Customer to purchase the Goods in accordance with these Conditions. The Customer is responsible for ensuring that the terms of the Order and any applicable Specification are complete and accurate.
- 2.3 The Order shall only be deemed to be accepted when the Supplier issues a written acceptance of the Order, at which point the Contract shall come into existence.



GENERAL TERMS & CONDITIONS OF TRADE

- 2.4 The Contract constitutes the entire agreement between the parties. The Customer acknowledges that it has not relied on any statement, promise, representation, assurance or warranty made or given by or on behalf of the Supplier which is not set out in the Contract.
- 2.5 No alteration to an Order shall be recognised by the Supplier unless made by the Customer in writing and confirmed by the Supplier in the same way.
- 2.6 A quotation or tender for the Goods given by the Supplier shall not constitute an offer. A quotation shall only be valid for a period of thirty (30) days from its date of issue, if no other period is stated.

3. GOODS

- 3.1 The Goods are described in the Order.
- 3.2 To the extent that the Goods are to be manufactured in accordance with a Specification supplied by the Customer, the Customer shall indemnify the Supplier against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other reasonable professional costs and expenses) suffered or incurred by the Supplier in connection with any claim made against the Supplier for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the Supplier's use of the Specification. This clause 3.2 shall survive termination of the Contract.
- 3.3 The Supplier reserves the right to amend the Specification if required by any applicable statutory or regulatory requirements.

4. DELIVERY

- 4.1 The Supplier shall ensure that:
- 4.1.1 each delivery of the Goods is accompanied by a delivery note which shows the date of the Order, all relevant Customer and Supplier reference numbers, the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Order is being delivered by instalments, the outstanding balance of Goods remaining to be delivered; and
 - 4.1.2 if the Supplier requires the Customer to return any packaging materials to the Supplier, that fact is clearly stated on the delivery note. The Customer shall make any such packaging materials available for collection at such times as the Supplier shall reasonably request. Returns of packaging materials shall be at the Supplier's expense.
- 4.2 Any packaging of the Goods shall be carried out at the Supplier's discretion. The Supplier accepts no liability for any failure to package the Goods to any particular standard or to protect against any particular risk unless the requirement for such packaging is specified in writing and paid for by the Customer.
- 4.3 The Supplier shall deliver the Goods to the location set out in the Order or such other location as the parties may agree ("Delivery Location") at any time after the Supplier notifies the Customer that the Goods are ready.
- 4.4 The Customer shall be responsible for unloading the Goods at the Delivery Location. Delivery of the Goods shall be completed on the completion of the unloading of the Goods.
- 4.5 Any dates quoted for delivery are approximate only, and the time of delivery is not of the essence. The Supplier shall not be liable for any delay in delivery of the Goods that is caused by a Force Majeure Event or the Customer's failure to provide the Supplier with adequate delivery instructions or any other instructions that are relevant to the supply of the Goods.
- 4.6 If the Supplier fails to deliver the Goods, its liability shall be limited to the costs and expenses incurred by the Customer in obtaining replacement goods of similar description and quality in the cheapest market available, less the price of the Goods. The Supplier shall have no liability for any failure to deliver the Goods to the extent that such failure is caused by a Force Majeure Event or the Customer's failure to provide the Supplier with adequate delivery instructions or any other instructions that are relevant to the supply of the Goods.
- 4.7 If the Customer fails to accept delivery of the Goods within three (3) Working Days of the Supplier notifying the Customer that the Goods are ready, then, except where such failure or delay is caused by a Force Majeure Event or the Supplier's failure to comply with its obligations under the Contract:



GENERAL TERMS & CONDITIONS OF TRADE

- 4.7.1 delivery of the Goods shall be deemed to have been completed at 9.00 am on the third Working Day after the day on which the Supplier notified the Customer that the Goods were ready; and
- 4.7.2 the Supplier shall store the Goods until delivery takes place, and charge the Customer for all related costs and expenses (including insurance).
- 4.8 If ten (10) Working Days after the day on which the Supplier notified the Customer that the Goods were ready for delivery the Customer has not accepted delivery of them, the Supplier may (without prejudice to any of its other rights under these Conditions) dispose of part or all of the Goods at the best price reasonably available and recover from the Customer any shortfall between the contract price and the price actually obtained. Alternatively, the Supplier may arrange for storage of the Goods at its premises or elsewhere at the Customer's cost.
- 4.9 The Supplier may deliver the Goods by instalments, which shall be invoiced and paid for separately. Each instalment shall constitute a separate Contract provided that deliveries of further instalments may be withheld until the Goods comprised in earlier instalments have been paid for in full. Any delay in delivery or defect in an instalment shall not entitle the Customer to cancel any other instalment.

5. QUALITY

- 5.1 The Supplier warrants that on delivery the Goods shall:
 - 5.1.1 conform in all material respects with their description and any applicable Specification;
 - 5.1.2 be free from material defects in design, material and workmanship;
 - 5.1.3 be fit for any purpose held out by the Supplier.
- 5.2 Subject to clause 5.3, if:
 - 5.2.1 the Customer gives notice in writing to the Supplier within a reasonable time of discovery that some or all of the Goods do not comply with the warranty set out in clause 5.1;
 - 5.2.2 the Supplier is given a reasonable opportunity of examining such Goods; and
 - 5.2.3 the Customer (if asked to do so by the Supplier) returns such Goods to the Supplier's place of business at the Customer's costthe Supplier shall, at its option, repair or replace the defective Goods, or refund the price of the defective Goods in full.
- 5.3 The Supplier shall not be liable for Goods' failure to comply with the warranty set out in clause 5.1 in any of the following events:
 - 5.3.1 the Customer makes any further use of such Goods after giving notice in accordance with clause 5.2;
 - 5.3.2 the defect arises because the Customer failed to follow the Supplier's oral or written instructions as to the storage, commissioning, installation, use and maintenance of the Goods or (if there are none) good trade practice regarding the same;
 - 5.3.3 the defect arises as a result of the Supplier following any drawing, design or Specification supplied by the Customer;
 - 5.3.4 the Customer alters or repairs such Goods without the written consent of the Supplier;
 - 5.3.5 the defect arises as a result of fair wear and tear, wilful damage, negligence, or abnormal storage or working conditions; or
 - 5.3.6 the Goods differ from the Specification as a result of changes made to ensure they comply with applicable statutory or regulatory requirements.
- 5.4 Except as provided in this clause 5, the Supplier shall have no liability to the Customer in respect of the Goods' failure to comply with the warranty set out in clause 5.1.
- 5.5 The terms implied by sections 13 to 15 of the Sale of Goods Act 1979 are, to the fullest extent permitted by law, excluded from the Contract.
- 5.6 These Conditions shall apply to any repaired or replacement Goods supplied by the Supplier.



GENERAL TERMS & CONDITIONS OF TRADE

6. CLAIMS

- 6.1 Notice of any claim by the Customer relating to any shortage of Goods or damage to Goods must be made to the Supplier and to the carrier in writing within seven (7) days of receipt of the Goods.
- 6.2 Notice of any claim by the Customer relating to loss or non-delivery of the Goods must be made to the Supplier and the carrier within seven (7) days of the Customer receiving an advice note.
- 6.3 Any claim by the Customer in accordance with clause 6.1 or 6.2 must be signed by an authorised representative of the Customer and accompanied with full particulars setting out the relevant invoice number and order number of the Goods, along with a copy of the relevant delivery note in respect of the Goods. In the case of any shortage of Goods or damage to the Goods, the copy of the delivery note must bear an appropriate statement setting out a brief description of the claim, for example, "Goods received damaged, [SIGNATURE]".
- 6.4 In respect of any claims by the Customer pursuant to clauses 6.1 and 6.2, the Supplier shall be required to either:
- 6.4.1 repair or replace any affected Goods free of charge; or
 - 6.4.2 refund the contract price attributable to the affected Goods

7. TITLE AND RISK

- 7.1 The risk in the Goods passes to the Customer on completion of delivery.
- 7.2 Title to the Goods shall not pass to the Customer until the Supplier receives payment in full for the Goods.
- 7.3 Until title to the Goods has passed to the Customer, the Customer shall:
- 7.3.1 store the Goods separately from all other goods held by the Customer so that they remain readily identifiable as the Supplier's property;
 - 7.3.2 not remove, deface or obscure any identifying mark or packaging on or relating to the Goods;
 - 7.3.3 maintain the Goods in satisfactory condition and keep them insured against all risks for their full price from the date of delivery;
 - 7.3.4 notify the Supplier immediately if it becomes subject to any of the events listed in clause 11.1.2; and
 - 7.3.5 give the Supplier such information relating to the Goods as the Supplier may require from time to time.
- 7.4 If before title to the Goods passes to the Customer the Customer becomes subject to any of the events listed in clause 11.1.2, then, without limiting any other right or remedy the Supplier may have:
- 7.4.1 the Customer's right to resell the Goods or use them in the ordinary course of its business ceases immediately; and
 - 7.4.2 the Supplier may at any time:
 - 7.4.2.1 require the Customer to deliver up all Goods in its possession which have not been resold, or irrevocably incorporated into another product; and
 - 7.4.2.2 if the Customer fails to do so promptly, enter any premises of the Customer or of any third party where the Goods are stored in order to recover them.

8. COMPLIANCE WITH U.S.EXPORT CONTROLS AND SANCTIONS LAWS

- 8.1 Both the Customer and the Supplier shall comply with applicable export controls and sanctions laws of the United States of America, including, but not limited to, the Export Administration Regulations administered by the Department of Commerce, Bureau of Industry and Security, and the various economic sanctions programmes administered by the Department of the Treasury, Office of Foreign Assets Control. The Customer may not undertake any activity, or cause or require Supplier to undertake any activity that would be reasonably likely to result in the Supplier or its agent as a United States person, violating U.S. export controls and/or sanction laws.

9. PRICE AND PAYMENT

- 9.1 The price of the Goods shall be the price set out in the Order, or, if no price is quoted, the price set out in the Supplier's published price list in force as at the date of delivery.
- 9.2 The Supplier may, by giving notice to the Customer at any time before delivery, increase the price of the Goods to reflect any increase in the cost of the Goods that is due to:



GENERAL TERMS & CONDITIONS OF TRADE

- 9.2.1 any factor beyond the Supplier's control (including foreign exchange fluctuations, increases in taxes and duties, and increases in labour, materials and other manufacturing costs);
- 9.2.2 any request by the Customer to change the delivery dates, quantities or types of Goods ordered, or the Specification; or
- 9.2.3 any delay caused by any instructions of the Customer or failure of the Customer to give the Supplier adequate or accurate information or instructions.
- 9.3 The price of the Goods is exclusive of the costs and charges of packaging, insurance and transport of the Goods, which shall be invoiced to the Customer.
- 9.4 The price of the Goods is exclusive of amounts in respect of value added tax ("VAT"). The Customer shall, on receipt of a valid VAT invoice from the Supplier, pay to the Supplier such additional amounts in respect of VAT as are chargeable on the supply of the Goods.
- 9.5 The Supplier may invoice the Customer for the Goods on or at any time after the completion of delivery.
- 9.6 The Customer shall pay the invoice in full and in cleared funds by the due date in accordance with the terms and conditions of trading specified in the relevant invoice. Payment shall be made to the bank account nominated in writing by the Supplier.
- 9.7 Where only part of the Goods are despatched, payment shall be made in respect of the contract price attributable to that part.
- 9.8 If the Customer fails to make any payment due to the Supplier under the Contract by the due date for payment, then the Customer shall pay interest on the overdue amount at the rate of four per cent (4%) per annum above Barclays Bank PLC's base rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The Customer shall pay the interest together with the overdue amount. Such interest shall be in place of interest accruing under the Late Payment of Commercial Debts (Interest) Act 1998.
- 9.9 The Customer shall pay all amounts due under the Contract in full without any set-off, counterclaim, deduction or withholding (except for any deduction or withholding required by law). The Supplier may at any time, without limiting any other rights or remedies it may have, set off any amount owing to it by the Customer against any amount payable by the Supplier to the Customer.

10. TECHNICAL INFORMATION AND SPECIFICATIONS

- 10.1 All drawings, specifications, technical descriptions and other documentation ("Technical Information") included in the Supplier's quotation or other literature shall, unless stated otherwise, be considered to be approximations only and shall not form part of the Contract.
- 10.2 Any performance data provided by the Supplier shall be deemed to be estimates only. The Supplier shall not provide any warranties for the accuracy of any performance data, unless otherwise stated in the Contract.
- 10.3 All Technical Information supplied to the Customer under the Contract is supplied for the Customer's use only. No licence is granted for the Customer to use any Technical Information other than in accordance with the terms of the Contract and the Customer must not disclose, publish, transfer or otherwise make available any Technical Information to any third party other than employees of the Customer (and then strictly on a need-to-know basis).
- 10.4 All Technical Information supplied to the Customer under the Contract must be returned to the Supplier if any of the following events occurs:
- 10.4.1 an Order is not made;
- 10.4.2 the Contract is terminated; or
- 10.4.3 the Supplier makes a written request for the return of Technical Information.
- 10.5 The Customer acknowledges and agrees it shall indemnify, defend and hold the Supplier, its directors, officers, employees and agents, harmless from and against any and all claims, losses, liabilities, damages, expenses, and costs (including, without limitation, reasonable fees for attorneys, expert witnesses, and court costs) which result from any claim for infringement of any Intellectual Property Rights held by any third party in relation to any Technical Information provided by the Customer. This indemnity shall survive the expiration or termination of the Contract by either party for any reason.



GENERAL TERMS & CONDITIONS OF TRADE

11. TERMINATION AND SUSPENSION

- 11.1 The Supplier shall be entitled to terminate the Contract with immediate effect by giving written notice to the Customer if one or more of the following events occurs:
- 11.1.1 the Supplier commits a material breach of the Contract (including failure to pay any amounts falling due) which is not cured within thirty (30) days of receipt of notice from the Supplier requiring it to be cured; or
 - 11.1.2 the Customer becomes insolvent according to the law, or has made any arrangements with its creditors or under the law with a view to avoiding an impending insolvency, or has had any person appointed by its creditors or under law as a consequence of debts which have fallen, or which are about to fall, due and which the relevant party is unable to properly repay.
- 11.2 Without limiting its other rights or remedies, the Supplier may suspend provision of the Goods under the Contract or any other contract between the Customer and the Supplier if the Customer becomes subject to any of the events listed in clause 11.1.2 or the Supplier reasonably believes that the Customer is about to become subject to any of them, or if the Customer fails to pay any amount due under this Contract on the due date for payment.
- 11.3 The Customer shall not be entitled to terminate the Contract unless:
- 11.3.1 it has obtained prior written consent from the Supplier; and
 - 11.3.2 the Customer reimburses the Supplier for any:
 - 11.3.2.1 work carried out by the Supplier prior to termination;
 - 11.3.2.2 costs incurred by the Supplier arising as a result of termination; and
 - 11.3.2.3 loss of profit suffered by the Supplier.
- 11.4 On termination of the Contract for any reason the Customer shall immediately pay to the Supplier all of the Supplier's outstanding unpaid invoices and interest.
- 11.5 Termination of the Contract, however arising, shall not affect any of the parties' rights, remedies, obligations and liabilities that have accrued as at termination.
- 11.6 Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect.

12. LIMITATION OF LIABILITY

- 12.1 Nothing in these Conditions shall limit or exclude the Supplier's liability for:
- 12.1.1 death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors (as applicable);
 - 12.1.2 fraud or fraudulent misrepresentation;
 - 12.1.3 breach of the terms implied by section 12 of the Sale of Goods Act 1979;
 - 12.1.4 defective products under the Consumer Protection Act 1987; or
 - 12.1.5 any matter in respect of which it would be unlawful for the Supplier to exclude or restrict liability.
- 12.2 Subject to clause 12.1:
- 12.2.1 the Supplier shall under no circumstances whatsoever be liable to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, or any indirect or consequential loss arising under or in connection with the Contract; and
 - 12.2.2 the Supplier's total liability to the Customer in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed 100% of the price of the Goods.



GENERAL TERMS & CONDITIONS OF TRADE

13. FORCE MAJEURE

- 13.1 The Supplier shall not be deemed to be in breach of these Conditions, or otherwise be liable to the Customer, by reason of any delay in performance or non-performance, of any of its obligations pursuant to these Conditions to the extent that such a delay or non-performance is due to any Force Majeure Event, and the time for performance of that obligation shall be extended accordingly, provided that the Supplier:
- 13.1.1 notifies the Customer promptly upon becoming aware of the Force Majeure Event, providing reasonable detail regarding the circumstances, effects and likely duration of the Force Majeure Event to the extent known;
 - 13.1.2 keeps the Customer informed at reasonably frequent intervals regarding the Force Majeure Event and any efforts to correct, mitigate or work around its effects; and
 - 13.1.3 implements such reasonable workarounds or mitigation strategies, and at all times seeks to fulfil (wholly or partially), where possible, its obligations pursuant to these Conditions to the greatest extent reasonably practicable.

14. CONFIDENTIALITY

- 14.1 Subject to the remaining provisions of this clause 14, each party (the "Recipient") shall keep (and shall procure that its directors and employees shall keep) secret and confidential any Confidential Information disclosed to it by or on behalf of the other (the "Discloser").
- 14.2 Notwithstanding clause 14.1, the Recipient shall not be prevented from using any general knowledge, experience and skills not treated by the Discloser as confidential or which do not properly belong to the Discloser and which the Recipient may have acquired or developed at any time during the term of the Contract.
- 14.3 Notwithstanding clause 14.1, the Recipient shall not be prevented from using the information or material referred to in clause 14.1 above to the extent such information or material comes into the public domain otherwise than through the default or negligence of the Recipient.
- 14.4 Notwithstanding clause 14.1, either party shall have the right to communicate any information concerning the other party to any Government department, regulatory body or any other form of enforcement authority or as may be required by law.
- 14.5 This clause 14 shall survive termination or expiry of the Contract.

15. NOTICES

- 15.1 Any notice given under or in connection with the Contract shall be in writing, addressed to that party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, sent by pre-paid first class post or other next working day delivery service, commercial courier or fax.
- 15.2 A notice or other communication shall be deemed to have been received:
- 15.2.1 if delivered personally, when left at the address referred to in clause 15.1;
 - 15.2.2 if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Working Day after posting;
 - 15.2.3 if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or
 - 15.2.4 if sent by fax, one Working Day after transmission.
- 15.3 The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.



GENERAL TERMS & CONDITIONS OF TRADE

16. NON-WAIVER

16.1 The failure of either party to exercise or enforce any rights conferred pursuant to these Conditions shall not be deemed to be a waiver of any such right not operate so as to bar the exercise or enforcement thereof at any time or times thereafter.

17. INVALIDITY

17.1 In the event that any part of the Contract is found to be invalid or otherwise unenforceable then such provision shall be regarded and construed as severable from the Contract so as not to affect the validity and enforceability of the remainder.

18. ASSIGNMENT

18.1 The Customer shall not assign, transfer or subcontract any of its rights or obligations under the Contract without the prior written consent of the Supplier.

19. RELATIONSHIP OF THE PARTIES

19.1 Nothing in the Contract is intended to create a partnership, joint venture or legal relationship of any kind between the parties that would impose liability upon one party for the act or failure to act of the other party. Save where expressly stated in these Conditions, neither party shall have authority to make representations, act in the name or on behalf of, or otherwise to bind the other.

20. VARIATION

20.1 Except as specified in these Conditions, no variation of the Contract shall be valid unless it is in writing signed by the Supplier.

21. LAW AND JURISDICTION

21.1 The Contract is governed by the laws of England and Wales and each party submits to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with this Contract or its subject matter or formation.

22. THIRD PARTY RIGHTS

22.1 The parties agree that it is not hereby intended that any rights should be conferred upon or enforceable by any third party as defined in the Contracts (Rights of Third Parties) Act 1999 unless the context otherwise permits.

