



Purchase Conditions - United Kingdom

Page 1

1. Definitions

1.1 These Terms and Conditions of Sale shall be subject to the following definitions:

- "OSO" or "Seller" shall refer to OSO HOTWATER (UK) Ltd., a company registered in the United Kingdom, with Company number 2877815
- "Buyer" shall refer to any entity who enters into a contract for the manufacture, sale or supply of Products or Services from the Seller, or who receives an invoice for the manufacture or sale of Products or the provision of Services by the Seller.
- "Confidential Information" shall mean any information regarding the business or affairs of a party, including but not limited to information relating to a party's operations, finances, plans, product information, intellectual property rights, trade secrets and customers.
- "Product" shall refer to any products supplied to the Buyer by OSO.
- "Service" shall refer to any services supplied to the Buyer by OSO.
- "PO" shall refer to any purchase order between OSO and the Buyer for the sale and purchase of Products or Services.
- "Terms and Conditions of Sale" shall refer to this document.

2. Validity

2.1 Unless otherwise agreed, the Terms and Conditions of Sale shall apply to all POs, order confirmations, sales and deliveries of Products or Services from OSO. In the event of any conflict between the documents, then they shall have the priority as listed below.

- the order confirmation, then,
- the Terms and Conditions of Sale, and then,
- the PO

2.2 Notwithstanding that the Buyer has referred to general terms and conditions of purchase or other standard terms used by the Buyer, the Buyer's general terms and conditions of purchase or other standard terms shall not apply to Buyer's purchases of Products or Services from OSO.

2.3 OSO reserves the right to amend these Terms and Conditions of Sale. Current conditions are available at www.osohotwater.co.uk.

3. Quotations, POs and Acceptance

3.1 All quotations by OSO shall signify only an invitation to the Buyer to place a PO with OSO.

3.2 OSO only accepts POs from the Buyer when these are in writing, and all POs once placed are binding for the Buyer. OSO reserves the right to deliver the PO in whole or in part or to reject delivery.

3.3 A binding agreement shall be deemed to have been signed once the Buyer has received an order confirmation in writing from OSO. Where the order confirmation deviates from the PO, a binding agreement shall not be deemed to have been signed if the Buyer rejects the order confirmation in accordance with clause 3.5.

3.4 If OSO submits a quotation that does not contain an acceptance deadline, the quotation is valid for 30 days from date of issue.

3.5 Where an order confirmation from OSO deviates from the Buyer's PO and the Buyer does not accept the deviation, the Buyer shall, within 8 calendar days of the date of the order confirmation, give OSO notice in writing thereof. In the absence of such notice, the order confirmation shall apply.

3.6 Where an order confirmation is issued, the quoted prices remain valid for 6 months from date of issue.

3.7 Amendments or supplements to the original PO are binding for OSO only if the parties have agreed to such amendment or supplement and OSO has given the Buyer a written confirmation.

3.8 Buyer may cancel a binding PO by providing written notice to OSO. Buyer shall be liable to pay OSO for the full price of the

Products and any costs incurred by OSO unless OSO is able to mitigate its losses. OSO will only have to make a reasonable commercial effort to mitigate its losses by selling the Products to another buyer where this is a standard Product.

4. Product Information

4.1 Product information, including prices, drawings, specifications etc., as well as other details in catalogues, promotional materials or elsewhere, including information on the OSO website, is not legally binding and shall be regarded as being indicative only.

4.2 OSO retains the title to all drawings and technical specifications that are made available to the Buyer, and these may only be used for the operation and use of the Products. Such materials shall be treated as Confidential Information and may not be copied, reproduced or otherwise handed over to unauthorized third parties or representatives of Buyer who do not have a need to know such information. The materials shall, after the end of the business engagement, be returned to OSO or destroyed upon OSO's written request.

4.3 Where OSO has followed a design / instruction given by the Buyer, the Buyer shall indemnify OSO against all direct and indirect loss, damages, costs and expenses to which it may become liable due to such designs or instructions being an infringement of any intellectual property right.

4.4 Both Buyer and Seller undertake that they shall not at any time during the term of the agreement and for a period of five (5) years after termination of the agreement disclose to any person any Confidential Information disclosed to it by the other party, except as permitted by this clause 4.

4.5 No party shall use any other party's Confidential Information for any purpose other than to perform its obligations under the agreement.

5. Prices and Payment Terms

5.1 Prices in quotations, order confirmations and other references are stated exclusive of VAT and any other applicable taxes.

5.2 OSO reserves the right to change the prices in any information material without prior notice.

5.3 OSO reserves the right to implement price changes 30 days after provision of notice to Buyer. If Buyer cancels a PO within that 30-day period then Buyer shall only be liable to pay any unpaid balance due to OSO for work already performed or delivered.

5.4 Payments shall be claimed by invoices and made within the due date specified in the respective invoice.

5.5 If payment is made after the due date specified in the invoice, the Buyer shall pay interest on the amount due at the rate of 1.5 % per full or partial month of delay.

5.6 All payments due to OSO shall be made in full, and free of set off, counterclaim or deduction on any other ground whatsoever.

5.7 OSO retains ownership of the Product until the purchase price, including any expenses, has been paid in full. The Buyer cannot enter into transactions that compromises OSO's title to the goods.

6. Delivery Terms

6.1 Deliveries shall be made EXW in accordance with Incoterms 2010, or the latest available edition.

6.2 The delivery time may be agreed to be a specific date or within a specific time period. OSO reserves the right to make changes to the delivery time if the Buyer fails to provide all necessary information for the execution of the PO.

6.3 If OSO has undertaken in addition to arrange for shipping according to an explicit written request from the Buyer, the Buyer becomes liable for the Product in accordance with the terms of a sale made EXW. OSO shall not be liable for any damage caused to the Product during transport.

6.4 OSO shall arrange for insurance only if expressly agreed with

Purchase Conditions - United Kingdom

Page 2

the Buyer. A standard insurance policy will be the only insurance secured unless other coverage is specified in the agreement.

7. Delay

7.1 If the delivery is not made by the agreed delivery time, the Buyer may claim delivery by notice in writing to OSO and define a reasonable delivery deadline that may not be shorter than 4 weeks. Where OSO does not complete the delivery within this extended deadline and such failure is unrelated to conditions that are the responsibility of the Buyer, the Buyer may cancel the portion of the PO that is delayed.

7.2 Under no circumstances may OSO be held liable for operating losses, loss of time, loss of profit or any other indirect losses and repercussions as a result of a delayed delivery of Products or Services by OSO.

8. Failure to Collect Goods

8.1 Where the Buyer, after the delivery deadline, fails to collect the Product or provide instructions about shipping, OSO is entitled to arrange for the storage and insurance of the Product at the Buyer's expense.

8.2 Where the Buyer fails to collect the Product despite a request in writing, OSO is entitled to sell the Product on the Buyer's behalf at the best possible price. This applies also to parts that are custom made in accordance with the Buyer's instructions.

8.3 Where OSO incurs losses due to the Buyer's failure to collect the delivery, OSO is entitled to compensation and Buyer is liable to pay such compensation.

9. Complaints and Duty of Inspection

9.1 The Buyer shall examine the Product upon receipt. Defects that are discovered or should have been discovered during such examination or that are discovered later, shall be brought to OSO's attention in writing immediately and not later than 8 days after the defect has been or should have been discovered.

9.2 The Buyer may issue a complaint about the Products or Services within 12 months of the delivery date.

10. Product Returns

10.1 Product returns are accepted only for marketable standard products and subject to prior written consent from OSO. The right of return applies for 3 months from the delivery date.

10.2 The expenses arising from returns shall be covered by the Buyer.

10.3 Returned Products shall be refunded based on the original sales price, but with a deduction for making the Product re-sellable. Such a deduction shall be determined after receipt of the Product and an assessment of its condition. However, the deduction shall as a minimum be equal to 20 % of the sales price.

11. Product Liability

11.1 To the fullest extent permitted by law OSO shall not be liable for any indirect or consequential loss in connection with the contract or any breach thereof.

11.2 The Buyer shall defend, indemnify and hold harmless the Seller against all claims, actions, proceedings, losses, damages, expenses and costs arising out of any claim made against the Seller by any third party.

11.3 Under no conditions shall OSO be liable for any operating losses, loss of time, loss of profit or other indirect losses and repercussions caused by the delivery by OSO of a defective Product to the Buyer.

11.4 Buyer guarantees that if the Products are sold by Buyer to consumers, that Buyer will uphold all relevant laws applicable to such sale ("Consumer Laws") in the relevant jurisdiction. OSO shall, to the extent allowed by mandatory provisions of the law, not be held liable for any losses suffered by consumers due to Buyer's breach of applicable Consumer Laws.

12. Force Majeure

12.1 OSO disclaims any liability for the non-fulfilment of a PO arising from force majeure circumstances such as natural disasters, war and mobilization, rebellion, riots, strike, lockout, any other form of industrial action, intervention by a public authority/government,

import or export restrictions, fire, damage to the OSO production plant, missing or incomplete deliveries by subcontractors, etc. or from any other condition that is beyond the control of OSO.

12.2 Where delivery of Products according to the PO is prevented temporarily because of one or more of the above circumstances, the delivery time shall be extended by a period that corresponds to the duration of the respective obstacle. Missing or delayed deliveries of materials from subcontractors shall be regarded as a force majeure event.

13. Partial Invalidity

13.1 Should one or more of the provisions of these Terms and Conditions of Sale be declared invalid or illegal or prove inapplicable, there shall be no impact on the validity, legality and applicability of the remaining provisions.

14. Limitation of Liability

14.1 To the extent allowed by mandatory provisions of the law, OSO's total liability for breach of contract shall be limited to 100% of the relevant PO purchase price.

15. Governing Law and Jurisdiction

15.1 All disputes between OSO and the Buyer that may arise in connection with these Terms and Conditions of Sale, including disputes related to the existence or validity of an agreement or the interpretation of these Terms and Conditions of Sale, shall be settled according to the laws of England and Wales.

15.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation.

16. Communications

16.1 Questions or formal notices may be directed to:

OSO HOTWATER UK Ltd.
Endeavor House, Seventh Avenue, Team Valley Trading Estate,
Tyne & Wear,
NE11 0EF
Telephone: +44 (0)191 482 0800
E-mail: sales.uk@oso-hotwater.co.uk