

GENERAL CONDITIONS OF SALE

1. General

- 1.1. All business relations between WATTS IND. IBÉRICA, S.A. (hereinafter known as “**WATTS IND. IBÉRICA**”), a Spanish company having its registered office at Avinguda La Llana, 85, 08191 Rubí (Spain), Tax ID No. A58811431, and its customers (hereinafter known as the “**Purchaser**”), will be governed by the following General Conditions of Sale (“**Terms and Conditions**”), which will be deemed to have been accepted by the Purchaser by the mere fact of its having placed an order.
- 1.2. Any term or condition of purchase that is inconsistent or at variance with these Terms and Conditions or any other reservation made thereto by the Purchaser for a particular order will not be effective unless WATTS IND. IBÉRICA has given its express agreement thereto in writing in respect of that order.

2. Catalogues, Offers and Orders

- 2.1. All indications given in our catalogues are given for guidance only and may be altered by WATTS IND. IBÉRICA whenever service or manufacturing considerations so require.
- 2.2. All offers are subject, for all purposes, to an order resulting therefrom being accepted in writing by WATTS IND. IBÉRICA.
- 2.3. Any condition or proviso made by the Purchaser in an order will be considered to be void if it is not in accordance with these Terms and Conditions or the particular conditions of the offer.

3. Prices and Taxes

- 3.1. The list prices shown will apply until the appearance of a new price list or as otherwise expressly advised by WATTS IND. IBÉRICA.
- 3.2. All taxes, whether currently applicable or becoming applicable in the future, whether to production, delivery of goods or sales of our products, shall be borne by the Purchaser, except where the passing on of the tax is expressly prohibited.
- 3.3. Where payment is agreed to be made in a currency other than the euro (EUR), WATTS IND. IBÉRICA reserves the right to reduce or increase the price that was originally agreed such that, when the price is converted to euros, the invoiced amount is equivalent to the value in euros that would result from the conversion of the price agreed at the time the purchase agreement was entered into.

4. Sales Discounts and Other Deductions

- 4.1. Any discount, volume discount, rebate or other allowance applied to list prices will be subject to the satisfactory completion of all transactions giving rise thereto or carried out during the relevant reference period. Consequently, the entitlement to any such

discount or other deduction will be forfeited in the event of default or late payment in these or any other transactions, or during the said reference period.

5. Delivery Times

- 5.1. The delivery times shown in our order acceptances will depend on stock and production availabilities. Accordingly, it is hereby declared that, except as otherwise agreed, all delivery times are estimates and are therefore not guaranteed.
- 5.2. If a particular time for delivery has been agreed in the purchase contract and WATTS IND. IBÉRICA fails to deliver within the agreed time, the Purchaser undertakes to allow WATTS IND. IBÉRICA a reasonable time in which to make delivery.
- 5.3. Failure to deliver within the agreed time will not, in any event, provide a ground for any claim by the Purchaser where the Purchaser has been given advance notice of a delay in delivery by a means of communication that is habitual among businesses.

6. Carriage

- 6.1. Save as otherwise agreed or expressly stated, WATTS IND. IBÉRICA will not bear any carriage risks, which will be borne in their entirety by the Purchaser, even when damage or impairment occurring in the course of carriage are due to an act of God or to *force majeure*. The fact that WATTS IND. IBÉRICA has arranged for the carriage of the goods and, in some cases, granted a discount in respect thereof, will not cause any term of this clause to be overridden or imply the acceptance by WATTS IND. IBÉRICA of the risks of carriage.
- 6.2. Orders that are not filled in their entirety, except where the nature of the product makes this impossible, may be completed by means of partial deliveries.
- 6.3. Except where specific instructions are received from the Purchaser and these are accepted by us, WATTS IND. IBÉRICA reserves the right to choose the route and the mode of transport. The additional costs arising from any particular delivery requirements specified by the Purchaser shall be borne by the Purchaser. The Purchaser will also bear any increase to applicable carriage rates after the date on which the purchase contract was entered into including, without limitation, additional costs due to the re-routing of a consignment and storage costs, except where the Purchaser and WATTS IND. IBÉRICA have expressly agreed to carriage on a pre-paid basis.
- 6.4. Terms of Carriage

SPAIN, ANDORRA AND PORTUGAL Order > €300/net: Carriage Paid
SPAIN, ANDORRA AND PORTUGAL Order < €300/net: Carriage Forward
Carriage Forward: your means of transport or as invoiced

PASARANES: Collection of goods by customer from our warehouses, date of collection to be stated in order.

Goods under order from USA: Carriage Forward will always apply.

MICROFLEX PRE-INSULATED PIPES Order > €1,000/net: Carriage Paid

- 6.5. Goods that are unavailable at the time an order is placed, after notice has been given, will be sent carriage paid following a request for the order to be increased, and the minimum carriage charge (Clause 6.4 above) will not apply. Where there is no possibility of increasing the order, the order will likewise be sent carriage paid.

7. Packing

- 7.1. Packing costs are included in the prices of goods except as otherwise advised or as specifically stated in the sale price of the product.

8. Payment Terms

- 8.1. Payment terms will be those previously agreed with the Purchaser in accordance with the applicable law.
- 8.2. In the event of non-payment of any invoice, the Purchaser will be responsible for paying the bank charges on its return, interest for late payment and any loss and damage arising therefrom.
- 8.3. Should any facts or circumstances come to light which give rise to a reasonable fear that the Purchaser will fail to meet its payment obligations, any delivery of goods or services that is then being processed will be immediately suspended until such time as the Purchaser has regularized the situation, paid for the order in advance or provided a guarantee of payment within the agreed period.
- 8.4. WATTS IND. IBÉRICA reserves the right to apply any payments received to the settlement of any invoices issued to the Purchaser that are overdue for payment, plus any interest for late payment and costs arising, in the following order: costs, late payment interest and principal.
- 8.5. The Purchaser will have no right to retain any payments.

9. Ownership

- 9.1. Ownership of the goods will pass to the Purchaser when the Purchaser has performed all obligations arising from its commercial relations with WATTS IND. IBÉRICA, including the settlement of any subsidiary claims and claims for loss or damage and for actual payment of invoices. WATTS IND. IBÉRICA will also retain ownership of goods that have been sold where any claim made by WATTS IND. IBÉRICA is recognized by the Purchaser as a debt.
- 9.2. If the Purchaser fails to meet its obligations to WATTS IND. IBÉRICA, WATTS IND. IBÉRICA may, without prior notice and without any need to terminate the purchase contract, demand the return of all goods of which it retains ownership. The acceptance of returned goods will not lead *per se* to termination of the purchase contract unless WATTS IND. IBÉRICA has expressly agreed to this in writing. WATTS IND. IBÉRICA may, however, demand that the contract be terminated by reason of such failure by the Purchaser, in which case it may demand compensation for loss and

damage including, without limitation, suitable compensation for the Purchaser's use of the goods for a certain period of time.

10. Cancellation of Orders

10.1. Orders, once accepted, cannot be cancelled where:

- a) the product has already been dispatched;
- b) in the case of items requiring special manufacture, manufacture has already commenced.

10.2. WATTS IND. IBÉRICA reserves the right to orders that are awaiting dispatch where the Purchaser has failed to observe any previous agreements, in whole or in part.

10.3. Orders worth less than 50 euros that are awaiting despatch will be cancelled after 30 days unless confirmation is received from the Purchaser that the time for delivery of the said goods should to be extended.

11. HIGHLY CUSTOMIZED PRODUCTS

11.1. Highly Customized Products are special or modified products which are adapted to specific Purchaser needs and requirements and for which WATTS IND. IBÉRICA does not have an alternative future use. Highly Customized Products are not destined to be sold to other customers, except to the Purchaser who ordered it.

11.2. In the event that the buyer cancels an order for Highly Customized Products for reasons which are not imputable to WATTS IND. IBÉRICA, WATTS IND. IBÉRICA are entitled to charge to the Purchaser and Purchaser shall compensate to WATTS IND. IBÉRICA an amount equal to WATTS IND. IBÉRICA costs and expenses incurred in performing the purchase order until receipt of the notice of cancellation. Upon request of the Purchaser, WATTS IND. IBÉRICA will detail the costs and expenses incurred, which will in total in no case be higher than the agreed purchase price.

11.3. Unless otherwise established in the applicable law, in the event of any discrepancy on the costs and expenses incurred by WATTS IND. IBÉRICA, it will correspond to the Purchaser to prove that WATTS IND. IBÉRICA incurred lower costs or expenses than those indicated.

12. Damages

12.1. WATTS IND. IBÉRICA will not be responsible for:

- a) any losses that are not due to a breach of obligations by WATTS IND. IBÉRICA;
- b) any loss of business (including loss of profit, income, contracts, prospective discounts, data, goodwill or unnecessary expense); or
- c) any indirect loss or collateral damage that was not foreseeable by the parties when the purchase contract was concluded.

- 12.2. The Purchaser shall not make any claim against WATTS IND. IBÉRICA for loss or damage, including non-contractual claims, for breaches due to minor negligence on the part of WATTS IND. IBÉRICA, unless such breach relates to an obligation which is of the essence of the purchase contract.
- 12.3. WATTS IND. IBÉRICA will not be liable for any indirect damages, or for damages that were not foreseeable at the time the contract was entered into, unless such damages were caused by gross negligence on the part of WATTS IND. IBÉRICA.
- 12.4. The above limitations will not apply to damages arising from death, injury or impairment to health. This, however, will not affect the applicability of binding rules on legal liability such as, for example, liability arising from a legal obligation under a warranty or product liability.
- 12.5. WATTS IND. IBÉRICA cannot be held liable for any delay and/or breach of its obligations under these Terms and Conditions if the delay or breach in question arises from a cause beyond the reasonable control of WATTS IND. IBÉRICA, including an act of God or *force majeure*.

13. Reporting Defects

- 13.1. A defect notification will only be recognised if presented in writing and within two (2) weeks of the time at which the defects were reported by the end customer, accompanied by evidence, samples and delivery notes, together with the invoice number, the date and any identifying information on the packaging.
- 13.2. Any hidden defects should be reported to WATTS IND. IBÉRICA as soon as they are discovered. The burden of proving that a defect is a hidden defect lies with the Purchaser.
- 13.3. Goods giving rise to a complaint shall not be returned to WATTS IND. IBÉRICA without its express agreement.

14. Warranty

- 14.1. Any product supplied by WATTS IND. IBÉRICA, provided that it has been used under normal conditions and for its intended purpose, or has been installed in accordance with current regulations, is guaranteed against all defects of manufacture for such time as may be specifically determined for each product in accordance with legal requirements. Consequently, the warranty covers defects of manufacture only and does not cover defects of installation or handling unconnected with those of manufacture.
- 14.2. For a claim to be made under the warranty, the defect must be accepted by the WATTS IND. IBÉRICA technical department or, if applicable, confirmed in a report from an independent technical centre, which will require the return of the defective products together with any necessary documents duly filled in for verification.

- 14.3. The warranty covers the replacement of the goods without cost to the Purchaser in accordance with current legislation.
- 14.4. Unless otherwise expressly provided by Law, the warranty period for SOCLA Products would be limited to five (5) years. In these terms & conditions “SOCLA Products” shall include all products on which the name and/or the logo “SOCLA” is branded. This limitation would not apply for:
- (i) The Xylia butterfly valves range and Insuflairs range, which have a warranty period of two (2) years;
 - (ii) The disconnectors type BA, which have a warranty period of one (1) year.
 - (iii) The contractual warranty does not apply to (i) parts of SOCLA Products that are subject to normal wear and tear; and (ii) consumables, including but not limited to batteries of actuators, that form part of the SOCLA Products. Any liability of WATTS IND. IBÉRICA in that respect is excluded.

The warranty period for all SOCLA Products starts to run as of the invoicing date. The warranty only covers defects of materials and manufacturing. Travel, transport, shipment, assembly and disassembly costs are not included in the warranty. Furthermore, the warranty, at WATTS IND. IBÉRICA’s discretion, only consists of repairing or replacing the SOCLA Product concerned. In case of repair, no new warranty period starts to run. To invoke the customer, the Purchaser must immediately notify WATTS IND. IBÉRICA in writing of the defect is has observed in the relevant SOCLA Product, and specify the operating circumstances in which the defect has been noticed. The Purchaser will not be entitled a refund, unless agreed otherwise.

15. Specifications of Goods, Technical Support, Use and Transformation

- 15.1. Product specifications will, as a general rule, be those set out in the WATTS IND. IBÉRICA product specifications, descriptions and labelling. No promotional activities or advertising in relation to product conditions shall be deemed to constitute information on the specifications of any product on sale.
- 15.2. Any technical assistance provided by WATTS IND. IBÉRICA orally, in writing or in demonstrations is given in good faith and without any obligation. Any technical assistance given by WATTS IND. IBÉRICA will not release the Purchaser from its obligation to test products supplied by WATTS IND. IBÉRICA with regard to their suitability for their intended uses and processes. The Purchaser will be fully responsible for any application, installation, use or handling and/or transformation of the products.

16. Trademarks

- 16.1. All rights in any registered trademarks appearing on products for sale or used for the purpose of selling products are under the exclusive ownership of WATTS IND. IBÉRICA or the companies that have granted licences to WATTS IND. IBÉRICA for their use. Nothing in these Terms and Conditions or in any particular conditions and/or

purchase contract agreed or entered into with the Purchaser shall grant the Purchaser any rights whatever in the same.

- 16.2. Where WATTS IND. IBÉRICA products are being used in manufacturing or are being transformed into new products, the Purchaser shall not be entitled, without consent from WATTS IND. IBÉRICA in writing, to use any trademarks and/or product names of WATTS IND. IBÉRICA or its licensors on any products resulting therefrom or on any product packaging or any relevant printed material or advertising material, particularly by mentioning WATTS IND. IBÉRICA products as components of the Purchaser's own products. The supply of goods bearing a WATTS IND. IBÉRICA trademark or emblem shall not be construed as consent for the use of that trademark or emblem for the said products.
- 16.3. The Purchaser will not have the right to mention any WATTS IND. IBÉRICA products when offering or supplying substitute products to third parties or on any price lists or trade literature of a similar nature, or to use the word "substitute" in conjunction any WATTS IND. IBÉRICA product names, whether protected or not, or to list these names together with any names of substitute products.

17. Product Returns

- 17.1. Product returns will not be accepted without prior consent from WATTS IND. IBÉRICA.
- 17.2. On the elapse of 30 calendar days from the date on which the goods were dispatched, the amount to be repaid will be reduced by a percentage not less than 20% for reception, testing, inspection and impairment costs, except where a higher percentage is specified due to the nature of the product.
- 17.3. Any goods that are returned must be in saleable condition, both as to use and packing.
- 17.4. All costs of carriage and packing resulting from a product return will be payable by the Purchaser.
- 17.5. No product returns will be accepted for orders involving special manufacturing arrangements, whether for standard or customized products.
- 17.6. For product returns due to defects in workmanship that have been verified by our technical department or by an independent technical centre, no charge will be made to the Purchaser and no percentage will be deducted for impairment.

18. Force Majeure

- 18.1. Situations of *force majeure* of any kind, serious, unforeseeable and unavoidable occurrences, disruptions to business or to deliveries, war, acts of terrorism, fire, flooding, unexpected shortages of labour or raw materials or building materials, strikes, lock-outs, acts of government and any other events beyond the control of the obligated party that causing reductions, delays or hold-ups in the production, carriage, acceptance or use of goods or amounting to an unreasonable proposition, shall release WATTS IND. IBÉRICA from its obligation to deliver an order while and so long as the said

occurrences prevail. If as a result of any such occurrence a supply and/or an acceptance is delayed for more than eight (8) weeks, both parties shall have the right to terminate the purchase contract. If WATTS IND. IBÉRICA suppliers cease to supply it in whole or in part, WATTS IND. IBÉRICA will not be under an obligation to buy from other sources. In such cases, WATTS IND. IBÉRICA will have the right to share out the available supplies among its customers, having regard also to its own needs.

19. Notices

- 19.1. All notices, demands, requests and other communications to be given or sent by either party to the other in relation to their commercial dealings shall be given or sent in writing by any lawful and legally permitted means which formally provides a record for management and for the attention of all persons whose names appear in the purchase contract.
- 19.2. Any alteration to or change in the addresses of the contact persons specified by the parties must be notified to the other party by any of the aforesaid means and will not take effect until the other party has acknowledged receipt of the change or alteration.
- 19.3. If a notice given by either party is given or delivered on a non-working day, the notice will be deemed to have been received on the next following working day. For this purpose Saturdays, Sundays and public holidays in the places where the parties' addresses are located shall be deemed to be non-working days.

20. Personal Data

- 20.1. Each party hereby gives its consent to the other party to include personal data of the other party in their respective filing systems for the purpose of managing their contractual relations under the Purchase Agreement and/or these Terms and Conditions.
- 20.2. In any event, any person representing either party whose personal data are being processed in accordance with these Terms and Conditions may exercise their right of access, correction, removal or objection as provided by Organic Law 15/1999 of 13 December on the protection of personal data (“**LOPD**”), by giving notice in writing to the party in question at the address provided for the purpose.
- 20.3. Both parties undertake to keep strictly confidential all personal data of the other party to which they have access in the course of carrying out these Terms and Conditions, to make them available to authorised persons only, and to observe all legal requirements set out in the LOPD where applicable. In particular, they hereby agree not to use any personal data obtained from the other party for any purpose other than that covered by these Terms and Conditions.

21. Exports

- 21.1. Without prejudice to Clause 22 hereof, WATTS IND. IBÉRICA and the Purchaser hereby undertake to comply with the export control regulations applicable in the United States of America, including the Export Administration Regulations administered by the Department of Commerce, the Bureau of Industry and Security and any other economic sanction regimes administered by the Department of Treasury's Office of

Foreign Assets Control. The Purchaser undertakes to ensure that its actions do not infringe, or place WATTS IND. IBÉRICA or its agents in a position of infringing, United States export control regulations and their associated sanctions.

22. Annulment of Individual Clauses

- 22.1. In the event of any clause in these Terms and Conditions being or becoming invalid in whole or in part, such invalidity shall not affect the validity of the remaining clauses or any other part of the clause in question. The parties shall replace any invalid clause with a valid clause that is, so far as possible, in accordance with the commercial object of the clause that was invalidated.

23. Applicable Law and Interpretation

- 23.1. These Terms and Conditions shall be applied and interpreted in accordance with Spanish Law.

24. Conflict Resolution and Jurisdiction

- 24.1. In the event of any litigation, the parties hereby agree to negotiate in good faith with the aim of reaching an agreement within not more than thirty (30) working days of the date of the dispute.
- 24.2. Save as otherwise agreed, the parties agree to submit to the Courts in Barcelona any claim or litigation arising in connection with the performance of these Terms and Conditions or the obligations thereunder, and waive their right to any other local or other jurisdiction.