



INNOVATIVE WATER SYSTEMS OÜ GENERAL TERMS AND CONDITIONS OF SALES AND DELIVERY

1. General provisions

- 1.1. These general terms and conditions of sales and delivery (hereinafter General Terms) constitute integral parts of orders (hereinafter Order(s)) concluded between Innovative Water Systems OÜ (hereinafter Seller) and the buyer (hereinafter Buyer), hereinafter separately and jointly referred to as Party and Parties, respectively, by which the terms and conditions of and the procedure for sale and handover of a product or products or service or services (hereinafter Product(s)) by the Seller to the Buyer and the terms and conditions of and procedure for payment are agreed.
- 1.2. The Parties may conclude a written bilateral agreement of purchase and sale (hereinafter Agreement) for the purpose of agreeing additional terms and conditions and distinctions.
- 1.3. The General Terms are prescribed by the Seller that has the right to change such Terms without prior notice. The General Terms are available on the Seller's home page at www.iwsgroup.ee.

2. Submitting and approving orders, technical requirements

- 2.1. Orders are based on a quote submitted by the Seller - incl. standard Product price list by which the specification, quantity, price, terms and conditions of payment and delivery, and the delivery time are agreed - and a confirmation by the Buyer which corresponds to the quote and is submitted in a written format enabling reproduction.
- 2.2. The quote is based on the Buyer's price inquiry and the technical requirements of the Product submitted along with said inquiry.
- 2.3. The Buyer's Order is deemed to be confirmed once an authorized representative of the Seller has confirmed the Order in a written format enabling reproduction and sent an order confirmation (hereinafter Order Confirmation) to the Buyer.
- 2.4. If due delivery of an Order requires the Seller to make drawings, the Order is deemed to be confirmed after approval of the Order Confirmation and Product drawing by the Buyer.
- 2.5. All materials submitted by the Seller, incl. quotes, drawings, technical specifications, and other information constitute confidential information and intellectual property rights related thereto are kept by the Seller and do not transfer to the Buyer upon performance of the Order.

3. Product price

- 3.1. The final Product price is noted in the Order Confirmation sent by the Seller; the final price may be different from the initial quote as a result of changes and additions undertaken as agreed by the Parties.
- 3.2. All quotes remain valid for 30 days unless otherwise agreed.



- 3.3. Unless otherwise agreed, all Product prices are presented in adherence to the terms and conditions of Incoterms 2010, FCA Aruküla tee 65, 75301 Jüri, Estonia. The prices are exclusive of VAT, transport costs, customs fees, insurance fees etc.
- 3.4. The Buyer undertakes to file any complaints related to the Product price within 48 hours as from receipt of the Order Confirmation. The Seller is not obligated to consider any later complaints.

4. Terms and conditions of payment

- 4.1. Unless otherwise agreed, the Seller applied prepayment to all Orders.
- 4.2. If the Buyer fails to make a prepayment by the due date prescribed by the Order Confirmation, all other terms and deadlines related to handover of the Product to the Buyer are correspondingly postponed.
- 4.3. The Buyer pays invoices in full (without any adjustment, deductions, and counterclaims) in euros to the bank account noted on the Seller's invoice within the payment term noted on the invoice.
- 4.4. The Seller has the right to receive default interest of 0.1% a day on payments exceeding the payment deadline (except in the case of prepayment).

5. Delivery and performance of agreement

- 5.1. The delivery term adheres to the terms and conditions of Incoterms 2010 FCA Aruküla tee 65, 75301 Jüri, Estonia, unless otherwise agreed.
- 5.2. The Seller undertakes to deliver the Product to the Buyer on the date and at the delivery location agreed in the Order Confirmation. The Buyer undertakes to receive the Product on the agreed date and at the agreed delivery location. The Seller presumes that the destination (delivery address) submitted by the Buyer is correct.
- 5.3. The Seller is not deemed to be in delay of delivery of goods if actual delivery of the goods takes place thirty days after the date noted on the Order Confirmation; however, the Seller undertakes to inform the Buyer of such circumstances in advance.
- 5.4. If the Buyer fails to receive the delivered Product or fails to provide the Seller with exact delivery instructions for deliveries in Estonia no later than 24 h before and for international deliveries 48 h before planned loading, the Seller has the right but is not obligated to store the Product and collect from the Buyer any reasonable costs (incl. storage costs) incurred.
- 5.5. The Seller has the right to withdraw from the Agreement and/or performance of the Order if the Buyer has not received the Product on the agreed date and at the agreed delivery location and also fails to do so within a reasonable term prescribed by the Seller.
- 5.6. If the Buyer fails to unload the Product in a timely manner on the agreed date and at the agreed delivery location (the required workforce or loading equipment is lacking/delayed etc.), any additional costs (waiting time fees, unladen journey) resulting therefrom are borne by the Buyer.
- 5.7. The Buyer adheres to all laws and procedures which regulate Product import to the destination country and is liable for payment of import charges applied in the destination country.
- 5.8. If the Buyer cancels the Order after approval of the Order Confirmation and commencement of production by the Seller, the Buyer undertakes to compensate to the Seller all expenses incurred to date in relation to production of the Product and purchase of relevant parts.



6. Transfer of risks and right of ownership

- 6.1. The risk of damage, loss, or accidental destruction of the Product transfers to the Buyer upon delivery in adherence to agreed terms and conditions of delivery. The Buyer insures the goods if relevant.
- 6.2. The right of ownership of the Product transfers to the Buyer upon full receipt of the Product price and any other relevant charges on the Seller's bank account.
- 6.3. Until the right of ownership of the Product transfers to the Buyer, the Buyer possesses the goods as property entrusted to them by the Seller and keeps the Product stored separately and properly, protected, insured, and marked as property of the Seller; the Buyer does not have the right to handle such goods.
- 6.4. Until the right of ownership of the Product transfers to the Buyer, the Buyer may at any time demand that the Buyer send the Product back to the supplier. If the Buyer refuses to do so, the Seller may enter any premises of the Buyer or any third person where the Product is kept and retake possession of the Product.

7. Liability and warranty

- 7.1. If the Product is used as intended, the Seller's warranty remains valid for up to two years on the Product and for up to 10 years on Product material and leak resistance. The warranty is deemed to commence on the delivery date. The warranty remains valid if the relevant installation and user manual is correctly adhered to.
- 7.2. The Buyer inspects the Product upon receipt thereof. Any defects, damage and/or shortcomings visible before unloading from the means of transportation must be recorded immediately. The Seller is not obligated to process any later complaints.
- 7.3. Notices of any faulty Products must be submitted to the Seller in writing within seven calendar days as from receipt of the Product. If the defect was not immediately visible, such notification must be undertaken immediately after discovery of the defect. The Seller undertakes to adopt a position on the cause of the defect and possible solutions within 14 calendar days as from receipt of the corresponding notice.
- 7.4. If a Product defect is discovered, the Seller must, as it sees fit, either repair or replace the Product, or return the cost of the Product; however, the Seller does not have any additional obligations before the Buyer as relating among other things to transport, replacement etc. The right of choosing a suitable solution rests with the Seller. If required, the Parties may involve a third party expert assessment to determine the cause of the defect. Costs related to the expert assessment are borne by the Party that the expert assessment deems liable for the cause of the defect.
- 7.5. Warranty cases are resolved at the Seller's location, unless otherwise agreed. The cost of transportation of the Product to the warranty repair site is borne by the Buyer. The cost of repairs not covered by the terms and conditions of warranty repairs are borne by the Buyer.
- 7.6. The Seller is not liable for the Buyer's or third parties' contracts/agreements, loss of profit, or any other damage caused in any manner.
- 7.7. The Seller does not ensure definitive correctness of information or instruction given as pertaining to any plans, drawings, technical specification, instructions, or goods. The Parties have agreed that Product samples, drawings, technical descriptions etc. are only used to determine approximate quality.



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8. Rights and obligations of parties

- 8.1. The Parties are liable for violations of Order Confirmations and General Terms on grounds provided in and pursuant to procedure prescribed by legislation of the Republic of Estonia and these General Terms.
- 8.2. The Parties undertake to immediately notify one another of changes in their contact details, of their insolvency, of bankruptcy proceedings, liquidation, or transformation instituted as pertaining to them.
- 8.3. The Parties are not liable for nonperformance of obligations noted in an Order and/or Agreement if such nonperformance was caused by force majeure. Force majeure is deemed to include fires, floods, strikes, workforce issues or other industrial disturbances, accidents, (declared or undeclared) war, embargos, blockades or other legal restrictions, revolts, uprisings, and other reasons not under the Parties' control if such event could not have been foreseen or if the effect of such events could not have been prevented upon conclusion of the Order and/or Agreement.

9. Validity, disputes

- 9.1. These General Terms become binding for the Parties upon approval of the Order Confirmation or signing of the Agreement and remain binding until due performance by the Parties of all obligations proceeding from above.
- 9.2. The Parties endeavor to resolve any disputes by way of negotiations. If an agreement is not reached, the dispute is resolved as proceeding from legislation valid in the Republic of Estonia.

Contact details of the Seller

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