
1. General Provisions and Scope of Application

1.1. These General Terms and Conditions of Sale and Delivery ("**Terms**") shall apply to all offers, quotations, sales, and deliveries of products and related services (the "**Goods**") by **WATCO GROUP PTE LTD**, a company incorporated under the laws of Singapore, with its registered office at 20 Cecil Street, PLUS #05-03, 049705 Singapore ("**Seller**").

1.2. These Terms shall apply exclusively to business relations with entrepreneurs, legal entities under public law, or special funds under public law (the "**Buyer**").

1.3. These Terms shall form an integral part of all contracts for the supply of Goods by the Seller, unless expressly agreed otherwise in writing. Any deviating, conflicting, or additional terms and conditions of the Buyer shall not apply, even if the Seller does not expressly object to them, unless the Seller has expressly agreed to their validity in writing.

1.4. The specific terms of any individual sales contract, quotation, or order confirmation shall take precedence over these Terms where there is a conflict. However, in the absence of specific provisions in an individual contract, these Terms shall apply.

2. Offers and Conclusion of Contract

2.1. All offers and quotations made by the Seller are non-binding and subject to change unless expressly designated as binding.

2.2. A contract shall only be deemed concluded upon the Seller's written order confirmation or actual delivery of the Goods, whichever occurs first.

2.3. Specifications, drawings, dimensions, weights, and other performance data mentioned in Seller's catalogs, brochures, or other marketing materials are approximate unless expressly designated as binding. Seller reserves the right to make minor deviations from such information, provided they do not materially affect the functionality or performance of the Goods.

3. Goods and Scope of Supply

3.1. The Goods provided by the Seller include, but are not limited to, forced draft cooling towers (field-erected, counterflow, and crossflow), brush cleaning systems for chiller condensers and shell-and-tube heat exchangers, and flow reversal valves for plate heat exchangers.

3.2. While the Goods are typically standard products, they may be specifically engineered for the Buyer's requirements as agreed in the individual sales contract. Any such specific engineering shall be detailed in the contract, including relevant drawings, specifications, and acceptance criteria.

3.3. The scope of supply is strictly limited to the Goods and services explicitly specified in the Seller's quotation and/or order confirmation. Unless expressly agreed in writing in the sales contract, services such as installation, commissioning, training, maintenance, extended warranties, spare parts supply, or software licenses are not included in the basic purchase price.

4. Prices and Payment Terms

4.1. All prices are quoted in **United States Dollars (USD)** unless otherwise specified in the individual sales contract.

4.2. Prices are subject to the **Incoterm** agreed in the individual sales contract (commonly **FOB** or **CIF**). Unless otherwise agreed, prices do not include value-added tax (VAT), sales tax, duties, levies, or other charges of any nature, all of which shall be borne by the Buyer.

4.3. Payment terms, including down payments, milestone payments, and retainers (e.g., 5-10% for post-installation/commissioning/warranty), shall be as specifically agreed and stated in the individual sales contract. In the absence of specific contractual provisions, full payment is due upon shipment.

4.4. Payment shall be made without any deduction, set-off, or counterclaim unless the counterclaim is undisputed or legally established.

4.5. If the Buyer fails to make payment by the due date, the Seller reserves the right to charge interest on the overdue amount from the due date until the date of actual payment at a rate of **5% per annum** or the maximum rate permitted by Singapore law, whichever is lower. The Seller also reserves the right to suspend further deliveries or services without liability for breach of contract.

5. Delivery, Risk, and Incoterms

5.1. Delivery dates and periods are estimates and are stated in the individual quotation and sales contract. The Seller endeavors to meet agreed delivery times, with typical production and shipping within **sixty (60) days** of order confirmation and down payment.

5.2. Delivery shall be made according to the Incoterm specified in the individual sales contract (e.g., FOB [named port of shipment] or CIF [named port of destination]). The risk of loss or damage to the Goods shall pass to the Buyer in accordance with the agreed Incoterm.

5.3. The delivery period shall commence upon receipt of the order confirmation and all necessary technical, commercial, and financial information, approvals, or inputs from the Buyer required for the performance of the contract. If such information is provided late by the Buyer, the delivery period shall be extended accordingly.

5.4. Partial deliveries are permissible unless expressly excluded in the sales contract or if they are unreasonable for the Buyer. Each partial delivery may be invoiced separately.

6. Delays

6.1. **Delays by Seller:** The Seller shall not be liable for any delays in delivery or performance that are caused by circumstances beyond its reasonable control, including but not limited to Force Majeure events (as defined in Clause 11). The Seller shall not be liable for liquidated damages for delays unless specifically agreed in writing in the sales contract.

6.2. **Delays by Buyer:** If the Buyer delays or fails to provide necessary information, obtain permits, make timely payments for stages of work, or take delivery of the Goods, the Buyer shall bear all additional costs incurred by the Seller as a result, including but not limited to storage costs, re-scheduling fees, and additional transportation expenses.

6.3. If Buyer delays become excessive (e.g., exceeding **60 days** from the originally agreed delivery date due to Buyer's fault), the Seller shall have the right, without prejudice to any other rights or remedies, to terminate the contract in whole or in part upon written notice to the Buyer. In such event, the Buyer shall remain liable for all costs incurred by the Seller up to the date of termination, including reasonable profit loss, and any damages suffered by the Seller.

7. Acceptance and Inspection

7.1. Upon delivery, the Buyer shall immediately inspect the Goods for quantity, visible damage, and conformity with the contract specifications.

7.2. Any claims for shortages, visible defects, or non-conformity must be made in writing to the Seller within **seven (7) days** of receipt of the Goods, failing which the Goods shall be deemed accepted. Hidden defects must be notified immediately upon discovery.

8. Warranty

8.1. The Seller warrants that the Goods supplied shall be free from defects in material and workmanship under normal use and service for a period of **twelve (12) months from commissioning or eighteen (18) months from delivery, whichever period expires first** (the "Warranty Period").

8.2. **Warranty Coverage:** This warranty covers defects arising from faulty design, materials, or workmanship attributable to the Seller.

8.3. **Warranty Exclusions:** This warranty does not cover: a) Normal wear and tear. b) Defects or damage caused by improper installation (unless installed by Seller), unauthorized repairs or modifications, misuse, abuse, negligence, accidents, or improper storage. c) Defects or damage caused by the Buyer's failure to perform proper maintenance, or the use of non-approved spare parts or consumables. d) Defects or damage caused by force majeure events, acts of third parties, or environmental conditions not compliant with specifications. e) Any Goods where the original identification marks have been altered or removed. f) Consumables.

8.4. **Warranty Claim Procedure:** a) The Buyer must notify the Seller in writing of any claimed defect without undue delay upon discovery, providing full details of the defect. b) Upon receipt of a valid warranty claim, the Seller shall, at its discretion, repair or replace the defective part or system. c) The cost of shipping defective parts back to the Seller shall be borne by the Seller. The cost of shipping repaired or replacement parts back to the Buyer shall also be borne by the Seller. d) For field-erected equipment (such as cooling towers) and complex systems, the Seller prefers to facilitate on-site repairs rather than requiring full returns. The Buyer or its contractor shall be responsible for performing the on-site work under the Seller's technical guidance. If Seller's personnel are required to be on-site for warranty issues, the costs for their travel, accommodation, and daily allowances shall be borne by the Buyer, unless otherwise explicitly agreed in writing.

8.5. This warranty is exclusive and in lieu of all other warranties, express or implied, including but not limited to implied warranties of merchantability or fitness for a particular purpose, which are hereby disclaimed to the fullest extent permitted by law.

9. Limitation of Liability

9.1. To the maximum extent permitted by applicable law, the Seller shall under no circumstances be liable for any indirect, incidental, special, consequential, punitive, or exemplary damages, including but not limited to: loss of production, loss of profit, loss of revenue, loss of business, loss of data, loss of anticipated savings, downtime costs, damage to reputation or goodwill, or claims of third parties against the Buyer, whether arising from breach of contract, tort (including negligence), strict liability, or otherwise, even if the Seller has been advised of the possibility of such damages.

9.2. The Seller's total aggregate liability arising out of or in connection with any contract, whether in contract, tort (including negligence), strict liability, or otherwise, shall in no event exceed **100% of the Net Contract Price** (excluding taxes, duties, and freight costs) for the specific Goods or services giving rise to the claim under that particular contract.

9.3. The limitations of liability set forth herein shall apply even if the Buyer's remedies under these Terms or any contract fail of their essential purpose.

10. Intellectual Property Rights

10.1. All intellectual property rights, including but not limited to copyrights, patents, designs, trademarks, trade secrets, and know-how, in any designs, drawings, specifications, software, documentation, manuals, or other proprietary information provided by the Seller to the Buyer, shall remain the exclusive property of the Seller.

10.2. The Buyer is granted a non-exclusive, non-transferable, revocable license to use such intellectual property solely for the purpose of installing, operating, maintaining, and repairing the Goods purchased from the Seller. The Buyer shall not copy, reproduce, modify, disassemble, decompile, or reverse engineer any such intellectual property without the Seller's prior written consent.

11. Confidentiality

11.1. Each Party (the "**Receiving Party**") acknowledges that it may obtain confidential and proprietary information ("**Confidential Information**") of the other Party (the "**Disclosing Party**") during the course of their business relationship, including but not limited to technical specifications, designs, drawings, pricing, business plans, and customer lists.

11.2. The Receiving Party agrees to keep all Confidential Information in strict confidence and not to disclose it to any third party or use it for any purpose other than the performance of the contract, without the Disclosing Party's prior written consent.

11.3. This obligation shall not apply to information that: (a) is or becomes publicly known through no fault of the Receiving Party; (b) was already known to the Receiving Party prior to disclosure; (c) is lawfully obtained by the Receiving Party from a third party without restriction on disclosure; or (d) is required to be disclosed by law or by a governmental authority, provided that the Receiving Party notifies the Disclosing Party in advance where legally permissible.

12. Force Majeure

12.1. Neither Party shall be liable for any delay or failure to perform its obligations hereunder (except for payment obligations) if such delay or failure is caused by an event beyond its reasonable control ("**Force Majeure Event**").

12.2. Force Majeure Events include, but are not limited to: acts of God, natural disasters, war, terrorism, civil commotion, riots, government acts or regulations, epidemics, pandemics, significant raw material shortages, energy shortages, strikes, lock-outs, labor disputes, fire, flood, embargoes, or unusually severe weather.

12.3. The Party affected by a Force Majeure Event shall promptly notify the other Party in writing of the nature and expected duration of the event. The affected Party shall use all reasonable efforts to mitigate the effects of the Force Majeure Event.

12.4. If a Force Majeure Event continues for a period exceeding **90 days**, either Party may terminate the affected part of the contract without further liability, other than for obligations accrued prior to termination.

13. Retention of Title

13.1. The Goods delivered by the Seller shall remain the property of the Seller until full and unconditional payment of all amounts due under the respective contract, including any interest and costs, has been received by the Seller.

13.2. Until title passes, the Buyer shall store the Goods separately from other goods and clearly identify them as the Seller's property. The Buyer shall insure the Goods against all risks at its own expense.

13.3. In case of payment default by the Buyer, the Seller shall be entitled to repossess the Goods without further notice, and the Buyer hereby grants the Seller the right of access to its premises for this purpose.

14. Dispute Resolution

14.1. **Negotiation and Mediation:** Any dispute, controversy, or claim arising out of or relating to these Terms or any contract concluded hereunder, including the breach, termination, or invalidity thereof, shall first be subjected to amicable negotiation between the Parties. If the dispute cannot be resolved through negotiation within a reasonable period (e.g., 30 days), the Parties agree to endeavor to resolve the dispute through mediation under the mediation rules of the Singapore International Arbitration Centre (SIAC) or another mutually agreed mediation institution.

14.2. **Arbitration:** If the dispute is not resolved through negotiation or mediation within **60 days** (or such other period as the Parties may agree), it shall be referred to and finally resolved by arbitration administered by the **Singapore International Arbitration Centre (SIAC)** in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force, which rules are deemed to be incorporated by reference in this clause.

14.3. The seat of the arbitration shall be **Singapore**.

14.4. The language of the arbitration shall be **English**.

14.5. The number of arbitrators shall be one (1) unless the amount in dispute or complexity warrants three (3), as determined by the SIAC.

15. Governing Law

15.1. These Terms and all contracts concluded hereunder shall be governed by and construed in accordance with the **laws of Singapore**, without regard to its conflict of laws principles. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

16. Miscellaneous

16.1. **Assignment:** The Buyer may not assign or transfer any of its rights or obligations under these Terms or any contract without the prior written consent of the Seller. The Seller may assign or transfer its rights and obligations.

16.2. **Severability:** If any provision of these Terms is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed, and the remainder of these Terms shall remain in full force and effect.

16.3. **Entire Agreement:** These Terms, together with the specific sales contract and any mutually agreed appendices, constitute the entire agreement between the Parties relating to the subject matter hereof and supersede all prior or contemporaneous communications, representations, or agreements, whether oral or written.

16.4. **Amendments:** Any amendments or modifications to these Terms or any contract must be made in writing and signed by duly authorized representatives of both Parties.

16.5. **No Waiver:** No waiver by either Party of any breach of these Terms or any contract shall be effective unless in writing, and no such waiver shall be construed as a waiver of any subsequent breach.