

# SEIKO U.K. LIMITED CONDITIONS OF TRADING

## 1. INTERPRETATION

In these Conditions:

"Buyer" means a person to whom Seller is to supply Goods, Materials and/or Services;  
"Contract" means a Contract for the Sale of Goods and Materials and the supply of Services by Seller to a Buyer which incorporates these Conditions;  
"Goods" means clocks, watches, components and other finished products;  
"Invoice" means a written invoice in respect of the relevant Supplies sent by Seller to Buyer from time to time which may be issued by post, courier or facsimile;  
"Materials" means spare parts for the repair and servicing of Goods;  
"Order" means an order placed by a Buyer by telephone, post, courier or facsimile;  
"Seller" means Seiko U.K. Limited of SC House, Varwall Road, Maidenhead, Berkshire, SL6 4UW, England;  
"Services" means repair and service work;  
"Supplies" means Goods, Materials and Services.

## 2. GENERAL

2.1 These Conditions of Trading (the "Conditions") shall apply to the supply by Seller of:  
2.1.1 Goods  
2.1.2 Materials and  
2.1.3 Services.  
2.2 These Conditions contain all the terms agreed between the parties regarding the subject matter and supersedes and replaces any prior agreement, understanding or arrangement between the parties, whether oral or in writing. No representation, undertaking or promise shall be taken to have been given or be implied from anything said or written in negotiations between the parties prior to a Contract except as expressly stated in such Contract. Neither party shall have any remedy in respect of any untrue statement made by the other upon which that party relied in entering into a Contract (unless such untrue statement was made fraudulently). Without prejudice to the foregoing, the only remedy available to a party in respect of a breach of any representation which is incorporated into a Contract shall be a breach of contract.  
2.3 Acceptance of any Supplies shall be deemed to indicate Buyer's agreement of these Conditions.  
2.4 Seller reserves the right at any time to correct errors and omissions in documents supplied.  
2.5 Buyer shall comply with Seller's Internet Policy as notified from time to time.

## 3. EFFECT OF ORDERS

3.1 There shall be no binding Contract between Seller and Buyer until the earlier of either:  
3.1.1 Seller issues an invoice relating to all or part of an order placed by Buyer, or  
3.1.2 Seller delivers to Buyer the goods relating to all or part of an order placed by Buyer.  
3.2 No Order placed with Seller may be cancelled by Buyer except with the agreement in writing of Seller and on terms that Buyer shall indemnify Seller in full against losses (including loss of profits), costs, damages, charges and expenses incurred.

## 4. PRICE

4.1 Unless otherwise agreed, the price of all Supplies will be that ruling at the time of despatch. Seller shall be entitled to amend its prices from time to time without notice.  
4.2 Unless otherwise agreed, prices quoted for domestic sales are inclusive of the cost of normal delivery to any destination in the United Kingdom and are exclusive of Value Added Tax and all other taxes, duties, levies and charges.  
4.3 Unless otherwise agreed, prices quoted for export sales are quoted as FCA from place of shipment stipulated (as defined in Incoterms 2010) and include cost of Seller's standard packaging. Where Buyer requests air freight or other special carriage arrangements not expressly covered in Seller's quotation then, subject always to Seller's agreement to such arrangements, these will be at Buyer's expense.  
4.4 Unless otherwise agreed, prices quoted for export sales exclude insurance, customs duties or any other duties, taxes, levies or charges connected with the import of Goods into the country of destination. In the event that any such item is paid by Seller, Buyer will reimburse Seller in respect thereof. Buyer shall be responsible for compliance with all relevant laws and regulations outside the United Kingdom and for obtaining at his expense any necessary import licences, customs clearance, exchange control consent or other authorisations and permits whatsoever.

## 5. PAYMENT

5.1 Domestic Sales  
Unless otherwise agreed, payments shall be due and made no later than the last day of the calendar month following the month during which the Invoice is dated.  
5.2 Export Sales  
Unless otherwise agreed, payment shall be made in currency specified by Seller in advance of shipment, or by way of irrevocable letter of credit, confirmed by a first class London bank. If no currency is specified all payments shall be made in GBP sterling.  
5.3 Interest Charges  
Without prejudice to Seller's other rights, if payment is not made when due, Seller may withdraw credit facilities, suspend further deliveries or exercise its rights under Clause 7.4. If Buyer fails to pay any amount payable under a Contract, Seller may charge Buyer interest on the overdue amount, payable by Buyer forthwith on demand, from the due date up to the actual payment, after as well as before judgement, at the rate of 3% per annum above the base rate for the time being of Barclays Bank Plc. Interest shall accrue on a daily basis and shall be compounded quarterly.

## 6. DELIVERY AND RISK

6.1 Any times quoted for delivery are estimates only and Seller shall not be liable for failure to deliver within the time quoted. Any delay in delivery shall not give rise to a right for Buyer to treat any Contract as repudiated or to reject deliveries.  
6.2 Delivery of Supplies to the stipulated place of delivery or to a carrier nominated by Buyer, whichever is sooner, shall constitute delivery to Buyer. All risks of loss or damage of Supplies shall pass to Buyer on such delivery.  
6.3 Discrepancies and damage apparent at time of delivery must be indicated on carrier's receipt note and notified to Seller in writing forthwith. Other discrepancies or damage in transit must be notified to Seller in writing within 7 (seven) days after receipt of Invoice. Buyer shall not be entitled to reject any Supplies without obtaining the prior agreement of Seller subject to Clause 8.4.2 below.  
6.4 Seller shall be entitled to make partial deliveries or deliveries by instalments and to issue an invoice for such deliveries as made. These Conditions shall apply to each such delivery.  
6.5 Items sent to Seller for repair to perform Services shall be at Buyer's risk until actually received in Seller's workshop. Seller will at its option repair, replace or give credit for any such items lost or damaged whilst in Seller's possession and at Seller's risk hereunder.  
6.6 For export sales, Seller may, on Buyer's request, agree to arrange insurance for the Goods in transit, to the port of destination only. Buyer will be responsible for confirming that any insurance arranged by Seller meets with the requirements and Seller shall have no responsibility for any alleged defects in the insurance cover arranged, for the costs of such insurance or for the costs incurred by the Seller in arranging such insurance.

## 7. TRANSFER OF PROPERTY

7.1 Property in Goods and Materials shall remain with Seller until Seller has received payment in full of all sums due from Buyer on any account.  
7.2 Buyer shall either store Goods and Materials owned by Seller in a way which makes them clearly identifiable as Seller's property or maintain records of Goods and Materials owned by Seller and shall identify them to Seller on demand. Failing such identification, all Goods and Materials supplied by Seller in Buyer's possession shall be deemed to belong to the Seller to the extent of all sums due to Seller. If Buyer shall sell or otherwise dispose of Goods or Materials, or make any insurance claim in respect of them, prior to making payment in full for them, he shall not give any warranties or incur any liability on behalf of Seller and the proceeds of any such sale or other disposition (or claim thereto) or any insurance proceeds (or claim thereto) shall belong to Seller, to the extent of all sums due to Seller. On request from Seller at any time such proceeds shall be paid into a separate bank account and shall be held in joint names on trust for Seller.  
7.3 If any Goods or Materials owned by Seller are incorporated into other goods and materials, title to the resulting composite or mixed goods or materials shall vest in Seller and shall be retained by Seller for as long as and on the same terms as those on which it would have retained title to the original Goods and Materials.  
7.4 If Buyer fails to make all payments when due, enters into bankruptcy, liquidation or a composition with its creditors, has a receiver or manager or administrator or administrative receiver appointed over any of its assets or becomes insolvent, or if Seller has reasonable cause to believe that any of these events may occur, or issues notices under Clause 7.5 hereof, Seller shall have the right, without prejudice to any other remedy of Seller, to repossess the Goods and Materials without prior notice and Buyer will permit Seller to enter any premises for the purpose of such repossession.  
7.5 Buyer will give Seller notice in writing not less than 14 (fourteen) days before applying to the Court for the appointment of an administrator and immediately it does anything which may lead to it entering into administrative receivership or administration and failure to give such notice shall be deemed to be a fundamental breach of the Contract.  
7.6 Nothing in this Clause shall give Buyer any right to return Goods or Materials sold hereunder. Seller may sue Buyer for the price when due notwithstanding that property in the Goods or Materials may not have passed to Buyer.

## 8. WARRANTY, RETURNS AND LIMITATION OF LIABILITY

8.1 Supplies Warranty  
Seller warrants that Supplies will be free from defects caused by faulty materials or poor workmanship.  
8.2 Sales Warranty  
Under this warranty Seller will at its option, repair, replace with an identical or reasonably similar alternative item or give credit to Buyer for any Goods found to be so defective, provided that Seller is notified within 7 (seven) days of discovery of the defect and in any event not later than 12 (twelve) months from the date of delivery and that Seller's examinations disclose that such defect exists and has not been caused by misuse (including, without limitation, use otherwise than in accordance with the designed specification), neglect, improper handling or by repair or alteration not carried out by Seller.  
8.3 Repair Warranty  
Under this warranty Seller will, at its option, repair or replace with an identical or reasonably similar alternative item for any repairs found to be so defective provided that Buyer notifies Seller not later than the end of the relevant periods from the date of despatch by Seller as set out below:

SEIKO Watches	12 months
SEIKO Clocks	12 months
Pulsar Watches	6 months
Lorus Watches	6 months
Other Products	6 months

and that Seller's examinations disclose such defect exists and has not been caused by misuse (including, without limitation, use otherwise than in accordance with the designed specification), neglect, improper handling or by repair or alteration not carried out by Seller.

## 8.4 Returns

8.4.1 Buyer may under the warranties in Clause 8.2 and 8.3 return Goods, Materials or Service repairs for examination by Seller, provided the nature of the defect is explained in writing, the Invoice number or job number is quoted and carriage is prepaid.  
8.4.2 Within 7 (seven) days from date of Invoice, any such return for inspection by Seller may be without prior authorisation.  
8.4.3 After 7 (seven) days from date of Invoice, any such return must be previously approved by Seller. Approval will not be refused in the case of defective Goods or Materials to be returned within the period stated in Clause 8.2 but in all other cases will be given at Seller's sole discretion.  
8.4.4 Seller reserves the right to make a handling or refurbishment charge for any Goods or Materials which Seller exchanges or accepts for credit otherwise than under the warranty provisions of this Clause 8.  
8.4.5 In respect of consumer transactions only, the statutory rights of consumers are not affected.

## 8.5 Liability

8.5.1 Seller is not liable for any loss, damage or liability of any kind suffered by the Buyer or any third party directly or indirectly caused by repairs or remedial work carried out on the Goods or Materials without Seller's prior written approval. Buyer shall indemnify Seller against each loss, liability and cost arising out of such claims.  
8.5.2 Seller's maximum aggregate liability to Buyer under or in connection with any Contract, whether for tort (including negligence), breach of contract, misrepresentation, breach of statutory duty or otherwise shall in no circumstances exceed the cost of the defective, damaged or undelivered Supplies, which give rise to such liability under that Contract as determined by net price invoiced to Buyer in respect of any occurrence or series of occurrences.  
8.5.3 Seller shall not be liable to Buyer for any loss of income, loss of actual or anticipated profits, loss of goodwill or reputation, loss of business receipts or contracts (in each case whether direct or indirect) or for any indirect or consequential loss or damage of any kind, in each case howsoever arising, whether such loss or damage was foreseeable or in the contemplation of the parties and whether arising in or for breach of contract, tort (including negligence), breach of statutory duty or otherwise.  
8.5.4 All conditions, warranties or other terms, whether express or implied by statute, common law or otherwise, are hereby excluded.  
8.5.5 Nothing in this Clause 8 or otherwise in these Conditions shall exclude or in any way limit any liability of Seller for (i) fraud, (ii) death or personal injury caused by its negligence (including negligence as defined in s. 1 Unfair Contract Terms Act 1977), (iii) breach of terms regarding title implied by s. 12 Sale of Goods Act 1979 and/or s. 2 Supply of Goods and Services Act 1982, or (iv) any liability to the extent the same may not be excluded or limited as a matter of law.

## 9. THE ELITE DEALER NETWORK

9.1 In this Clause 9:  
"Elite Authorised Dealers" means Buyers who are authorised to sell Elite Products by the Seller, or by any other authorised distributor of Elite Products in Europe;  
"Elite Authorised Stores" means the specific retail stores belonging to an Elite Authorised Dealer which meet the Elite Dealer Specified Criteria and from which the Elite Authorised Dealer is authorised to sell the Elite Products;  
"Elite Dealer Specified Criteria" means the criteria for the selection of retail stores offering facilities and services suitable for the promotion, sale and servicing of Elite Products, including criteria related to the location of the retail store, product presentation, customer services offered and the retail environment, as may be updated from time to time by the Seller;  
"Elite Products" means such Goods and Materials which Seller may notify to Buyer are to be resold in accordance with the Elite Dealer Network;  
"Europe" means countries in any Member State of the European Union or the European Economic Area from time to time and Switzerland.  
9.2 The Seiko Watch Corporation and its affiliates have developed a selective distribution system known as the Elite Dealer Network for the promotion and sale of Elite Products in Europe. To ensure high quality distribution, the Seller has established and will update from time to time Elite Dealer Specified Criteria. The Seller shall sell the Elite Products only to retail stores meeting the Elite Dealer Specified Criteria.  
9.3 If the Seller has appointed the Buyer as an Elite Authorised Dealer then the provisions of this Clause 9 shall apply to the Buyer's purchase and resale of such Elite Products. If the Buyer has not been appointed as an Elite Authorised Dealer it shall not purchase or sell Elite Products.  
9.4 The Buyer shall purchase the Elite Products only from the Seller and from other Elite Authorised Dealers in Europe.  
9.5 The Buyer shall only offer the Elite Products and/or offer Services relating to the Elite Products to consumers through Elite Authorised Stores. The Buyer shall sell the Elite Products only to consumers and to other Elite Authorised Dealers in Europe.  
9.6 The Buyer is responsible for confirming that any reseller it deals with in respect of Elite Products is an Elite Authorised Dealer. Without prejudice to the Seller's right to inspect records pursuant to Clause 9.7, should any Elite Products sold to the Buyer by the Seller be offered for sale by a reseller who is not an Elite Authorised Dealer, the Buyer shall within 15 (fifteen) days, on the Seller's request, provide evidence satisfactory to the Seller that it has resold the Elite Products only to consumers or to other Elite Authorised Dealers.  
9.7 The Buyer shall keep full and comprehensive records of all transactions involving the Elite Products for a minimum of one year sufficient to verify that the Buyer has only resold the Elite Products to consumers or to other Elite Authorised Dealers and that the Buyer has only purchased Elite Products from the Seller or from other Elite Authorised Dealers. The Seller or its duly authorised representative shall have the right during business hours upon reasonable notice to inspect all such records and to take copies of them.  
9.8 The Buyer's Elite Authorised Stores must at all times satisfy the Elite Dealer Specified Criteria during the term of the Buyer's appointment as an Elite Authorised Dealer. The Seller reserves the right to inspect each of the Buyer's Elite Authorised Stores at any time during normal business hours for the purpose of assessing whether the Elite Authorised Stores continue to satisfy the Elite Dealer Specified Criteria.  
9.9 The Buyer shall co-operate with the Seller and any of its affiliates in order to maintain the integrity of the Elite Dealer Network and any selective distribution system which may be operated by the Seller and any of its affiliates and shall provide the Seller and any of its affiliates with all assistance reasonably requested to enable them to do so.  
9.10 Should the Buyer breach any of its obligations in this Clause 9 the Seller shall have the right, without prejudice to its other legal rights and remedies, to terminate the Buyer's appointment as an Elite Authorised Dealer with immediate effect.

## 10. FORCE MAJEURE

Without prejudice to any other of these Clauses, Seller shall be under no liability for delay or non performance of any obligations hereunder due to shortage or unavailability of stock, industrial action, transportation delays or any other circumstances whatsoever beyond the reasonable control of Seller, whether or not foreseeable by Seller, and in any such event Seller may at its option cancel any Contract so affected or any outstanding part of it, or delay performance of it.

## 11. BUYERS BREACH AND FINANCIAL SITUATION

If Buyer shall be in breach of any of its obligations hereunder or under any other Contract with Seller, or if at any time Buyer's financial condition does not, in Seller's reasonable judgement, justify continuance of any Contract on the terms of payment agreed, Seller may without prejudice to any other rights and without liability whatsoever to Buyer, cancel any outstanding part of the Contract, or suspend any deliveries until such time as Buyer shall provide security satisfactory to Seller for the performance of all obligations of Buyer to Seller.

## 12. TRADE MARKS AND PROPERTY RIGHTS

12.1 Where Goods supplied are movements or other parts to be incorporated into finished products Buyer shall not use any trade marks or trade names belonging to Seller or Seller's ultimate holding company or any associated company of Seller, in relation to the Goods or resale of them, other than such trade marks or trade names as have been permanently affixed by Seller to the Goods themselves and have not been removed by Seller, which may be used in respect of such Goods as have not been used or altered in any way since leaving Seller's custody.  
12.2 All drawings, specifications and other copyright materials supplied by Seller shall remain the property of Seller and may not be reproduced or disclosed to third parties without Seller's prior written consent.  
12.3 So far as Seller is aware, the Goods and Materials do not infringe any existing copyright, patent, trade mark or design or registered designs or any other industrial or intellectual property rights but no warranty, express or implied, is given in respect of such infringement by the use or sale of the Goods or Materials (and not resulting from Buyer's specifications, particular manner of use or action). Buyer shall notify Seller immediately and Seller may (but shall not be obliged to) at its own expense conduct through its own lawyers and experts all negotiations in settlement of the claim or any consequential litigation and shall indemnify Buyer against liability for normal and reasonable costs and direct damages (but not special damage or consequential loss).  
12.4 The undertaking of Seller under Clause 12.3 to indemnify Buyer shall not extend to acts of alleged infringement occurring after notice of alleged infringement is given to Buyer and Seller shall not be obligated to continue to deliver any Goods or Materials which are the subject of any allegation of infringement. No license, express or implied, is given to Buyer or any other person by the Contract under any patent copyright or design of Seller.

## 13. ASSIGNMENT

Buyer shall not assign or transfer or purport to assign or transfer any of its rights or obligations under a Contract or the benefit of it to any other person.

## 14. WAIVER

The Seller's failure to insist upon or delay in insisting upon strict performance of any of the Buyer's obligations hereunder or to exercise any rights or remedy provided by any Contract or by law shall not be construed as a waiver and shall not affect Seller's right to require strict performance of all Buyer's obligations or to exercise any rights or remedy provided by any Contract or by law.

## 15. SEVERABILITY

If any provision in these Conditions is found to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof.

## 16. LAW

A Contract and all non-contractual obligations arising from or connected with a Contract shall be governed by and construed in accordance with English law and the parties hereby submit irrevocably to the Courts of England shall have exclusive jurisdiction to hear all disputes arising in connection with it.