

MAJOR TERMS & CONDITIONS

THE UNDERMENTIONED TERMS AND CONDITIONS MUST BE READ AND UNDERSTOOD BEFORE ENTERING INTO CONTRACT WITH GLOBAL SUPPLY LINE (GSL) AND BEFORE SUPPLYING OR ORDERING GOODS AND / OR SERVICES IN RELATION TO ANY CONTRACT WITH GSL. THESE TERMS AND CONDITIONS SHALL THEN REMAIN IN FORCE FOR THE LIFE OF THE CONTRACT AND ARE OUR STANDARD CONDITIONS OF TRADE.

These terms and conditions (T&C's or "Agreement") supersede and prior quotations from Global Supply Line Pty Ltd (GSL) and shall provide any provisions in the said quotations which contradict these T&C's. These T&C's shall apply to a contract arising from the acceptance by GSL of an order from any individual, partnership, company or organisation (Buyer) for the supply of goods and/or services.

MAJOR TERMS & CONDITIONS OF SALE

A. This quotation is subject to our normal terms and conditions (copy on request). **B.** Goods supplied remain the property of Global Supply Line (GSL) until full payment has been received. The goods can be recovered from the purchaser or third party should full payment not be made by the date shown on our invoice. **C.** Where a warranty applies, sellers warranty liability only extends to the extent the seller is able to recover from its supplier for defects. Refer to clause 22 for warranty coverage. **D.** GSL does not claim to be the authorised or sole agent for all brands sold. **E.** Prices and delivery dates shown are provided in good faith and may vary due to circumstances outside of the control of GSL. **F.** Claims for credit will only be considered for ex-stock material and must be made in writing within seven days of dispatch of goods. Restocking fee of 20% applies plus all costs incurred. Modified, manufactured goods & indent lines are not returnable. Refer to clause 21 for cancellation & change policy. **G.** No responsibility will be taken for the misuse of stock sold. GSL does not play a part in specifying the suitability of stock sold for a given application. **H.** GSL is not liable for damages resulting from downtime, injury, product loss, airfreight costs etc. nor is it liable for consequential damages. **I.** Deposits are strictly non refundable. **J.** 2% per month interest will be charged on overdue accounts. All debt collection fees will be payable by the customer. **K.** Freight insurance is the client's responsibility unless GSL pay freight. **L.** The goods quoted are not designed or manufactured by the seller. **M.** GSL will not be liable to any party for incidental, consequential or special damages including loss of profit or production.

DETAILED TERMS & CONDITIONS OF SALE

1. Terms and conditions on your purchase order which conflict with the Terms and conditions set out herein an attached will not be applicable unless agreed to in writing by GSL.
2. **A/** Payment terms are not net 30 days unless agreed otherwise in writing by both parties
B/ Payment terms for sales are effective from the date of collection by the customer or customer's representative, this applies irrespective of whether GSL agrees to alternate payment duration.
3. If the cost to Global Supply Line of supplying the goods not yet delivered shall be increased materially by any dispute or cause and the parties concerned cannot agree on how such increase shall be borne, GSL may cancel the contract without liability in respect of such undelivered goods.
4. GSL shall not be responsible for errors or omissions due to oversight or misinterpretation of verbal instructions received from the buyer.
5. Where the delivery of the goods is made by installments and failure, suspension or delay in any defect in the goods delivered shall not violate this contract, and payments shall be due for partial deliveries.
6. All delivery dates only are estimated only and GSL shall not be liable in damages for any delay in delivery, nor shall the buyer be entitled to refuse delivery or payment (or part thereof) or to withhold payment except where delay of an unreasonable length has occurred due to circumstances within GSL control. Without limiting the generality of the foregoing the following circumstances shall be deemed to be not within GSL control: - Acts of God, war, riots, civil commotions, strikes, lock-outs, trade disputes, breakdowns, interruptions of transport, Government action or delay in delivery from GSL suppliers.
7. GSL reserves the rights to stop the supply of goods in the event of the purchaser failing to make any payment to the seller by the due date.
8. The goods are at the buyer's risk after collection or delivery.
9. All goods must be thoroughly inspected by the buyer. Notification of defects must be made within 48 hours of receipt.
10. GSL shall not be responsible for any loss of trade or profit or consequential loss of the buyer. In the event of a claim being accepted by GSL, the liability is limited to any one or more of the following as GSL may decide in its absolute discretion:- the replacement of the goods or the supply of equivalent goods or the payment of the cost of replacing the goods or acquiring equivalent goods or the payment of having goods repaired.
11. Claims for lost or damaged goods will not be accepted unless written notification is given to GSL within ten days of the actual or expected (whichever is applicable) delivery date, GSL will not accept claims for lost or damaged goods where such losses or damages are caused by the on-forwarding carrier or after the point where property and risk passes to the buyer.

12. Claims for damaged or defective goods will not be accepted by GSL, unless the goods are returned. GSL will not accept returned goods unless an accredited officer of GSL has given prior authorisation.
13. **A/** Property in the goods shall not pass to the buyer until payment received by GSL in full. If the goods have been passed onto a third party they shall still remain the property of GSL until full payment has been received from the buyer. GSL has the right to retrieve goods, which have not been paid for within the agreed payment period, even if the goods are installed and in service. **B/** Until property in the goods passes to the buyer here under the buyer shall, unless otherwise agreed in writing, store the goods so that they are clearly identified as the property of GSL. **C/** If the buyer fails to make payment in accordance with these conditions of sale the servants or agents of GSL shall be entitled to enter the premises of the buyer or the buyer's customers to repossess the goods. **D/** Until payment has been made in full to GSL the buyer shall be entitled to re-sell the goods or part thereof only upon the condition that the proceeds of sale of the goods or such part of the goods as shall be sold shall be held by the buyer in trust for GSL.
14. Unless agreed in writing, 1.5% interest per month will be charged for every amount not paid on the due time. Every amount unpaid within the agreed time also makes other debts payable forthwith.
15. Each invoice and the conditions of sale shall be governed in all respects in accordance with the laws of the state of South Australia and each party hereby submit to the jurisdiction of the courts of that state.
16. If any provision, covenant or condition of any invoice and the conditions of sale is held by any court of competent jurisdictions to be invalid, void or unenforceable the remainder of the terms, provisions, covenants and conditions shall remain in full force and effect and shall in no way be allocated impaired or invalidated.

17. Force Majeure:-

GSL is not liable for failure to perform the Contract to extent and for so long as its performance is prevented or delayed because of:

A/ circumstances outside Global Supply Line's control;

B/ failure of a supplier to Global Supply Line.

Furthermore, deliveries may be suspended in the case of an act of God, war, terrorism, riots, fire, explosion, flood, strike, lock-out, injunction, or any cause beyond the control of such party, preventing the manufacture of the goods. If, because of any such circumstance, GSL is unable to supply the total demand of the goods, GSL may allocate its available supply among all or any of its customers, in an equitable manner. Any deliveries suspended by GSL pursuant to this clause may be subsequently cancelled without any liability, but the contract shall otherwise remain unaffected.

18. Representations and Fitness for Purpose:-

A/ Except as expressly provided to the contrary in the Contract, all representations, warranties, terms and conditions in relation to the Goods (whether implied or otherwise) are hereby excluded to the maximum extent permitted by law.

B/ The customer agrees that if it is aware (or should be aware) that the Goods, the subject of an Order, are for a particular purpose (including, but not limited to, use as a component part of another product) or are required to possess special or uniform characteristics, the Customer will clearly specify that purpose or those characteristics in any such Order.

19. Guarantees & warranties are as specified by the original manufacturer (if any), and GSL does not give any warranty or guarantee beyond such warranty. GSL does not guarantee that the goods are for the intended purpose. The customer is always invited to inspect the goods prior to the purchase; hence GSL reserves the right to refuse any unreasonable requests for return of goods. Furthermore, the amount of payment or remedy is limited to the amount or settlement arrangement GSL is able to successfully claim from the original equipment manufacturer (OEM). Any warranty claims are on the basis of repairing or replacing the goods. Refunds will only be paid if GSL is able to obtain refund from OEM.
20. GSL is not responsible for the recovery of any airfreight. Even if we are at fault in supplying the wrong goods, we cannot be liable for the cost of airfreight.
- 21. Cancellation and Change Policy:-**
- 21.1** Any changes requested by Buyer after order entry must be accompanied by written notice received by GSL at least 2 months prior for indent orders (buy in orders not from GSL stock) and with 24 hours of order placement for ex stock sales, to the proposed delivery of any goods and/or services affected by the proposed changes. Where GSL has consented to the proposed changes, GSL may amend or alter at its sole discretion, the contract price and other contractual terms by an amount or magnitude dependent on the timing and extent of the change. Further, as these proposed changes may adversely affect delivery, GSL will only provide new promised delivery dates after an evaluation of the impact of the proposed changes. Cancellation of terms in an order shall be deemed to be and considered as a change order and charges, as described below, shall be payable by the Buyer. Should GSL for any reason disapprove of, or reject any request for changes, Buyer agrees that GSL shall deliver the goods and/or services to which the change request relates in accordance with all then existing specification, prices, and delivery schedules.
- 21.2** When the Buyer, at least 2 months before the proposed delivery of the affected goods, sends a notice of cancellation or intent to cancel an order, GSL on receipt of the said notice, will immediately stop production on all items. Charges for materials procured and work done will be assessed. Further, it shall be a fundamental term of such cancellation that GSL be indemnified on demand by the Buyer against any and all loss (including without limitation, any economic or consequential loss) in connection with, in relation to, and/or arising out of such cancellation as may be reasonable substantiated by GSL.
- 21.3** Where any order of goods and/or services is cancelled, the Buyer agrees to pay cancellation charges. Cancellation charges are assessed as a percentage (%) of the sales price in accordance with the following schedule:
- Ex-Stock Items, not modified**
- | | |
|---|------|
| Prior to order entry (up to 24 hours from order) | 0% |
| After order entry and issue or order to store (after 24 hours from order) | 0% |
| After order pulled, checked & matched to certificates | 7.5% |
| After order packed, documented and certificates & documentation completed | 10% |

| | |
|--|-----------|
| Goods shipped from store up to 7 days from despatch* | 20% |
| Up to 30 days after shipment* | 22.5% |
| Up to 60 days after shipment* | 25% |
| Over 60 days after shipment | no return |

*Client pay return freight and any remediation costs.

Ex-Stock items, modified¹ or accessorised or actuated items

| | |
|--|-----------------|
| Prior to order only | 0% |
| After order entry and issue of order to store | 5% |
| After work instruction issued to workshop and certificates matched | 7.5% |
| After commencing work to modify valve (as soon as 24 hours from order) | not cancellable |

¹Examples:- replace or modify:- stem packing, ends (including machine to RF or RTJ from blind face, machine to butt weld or alter butt weld schedule), fit counter weight or actuator, fit lock device or special lever, special paint specification, custom stainless tagging, etc.

Standard Construction², indent items (not from GSL stock)

| | |
|---|-----|
| Prior to order entry | 5% |
| After order entry and issue of order to manufacturer/supplier | 10% |
| After order acknowledge receipt from manufacturer/supplier | 25% |
| In production prior to delivery | 50% |
| Goods shipped from manufacturer | 70% |

²Carbon steel commodity low value ANSI lines commonly stocked.

Special Constructions³ or Modified Designs, indent items (not from GSL stock)

| | |
|---|-----|
| Prior to order entry | 10% |
| After order entry and issue of order to manufacturer/supplier | 15% |
| After order acknowledgement receipt from manufacturer/ supplier | 45% |
| In production prior to delivery | 70% |
| Goods shipped from manufacturer | 85% |

³Stainless, alloy, duplex or any non commodity line or any high value line and any order over AUD 30,000.

Global Supply Line reserves the right to revise the above-mentioned schedule of cancellation charges from time to time and at any time. On receipt of notice of such revision, the Buyer shall be bound by the revised schedule of cancellation charges.

22. Warranty:-

The Warranty (where applicable) covers any claim that is due to a malfunction or defect solely resulting from a faulty product. No charges will be allowed for damages, installation, air freight, etc. Warranty applies from date of purchase and products must be correctly utilised and installed in accordance with the manufacturers warranty. (Also see our major terms and conditions). All liability other than the value of the purchase price is solely the responsibility of the original equipment manufacturer. The warranty is supplied by the equipment manufacturer, not GSL and GSL is responsible for the warranty if the equipment manufacturer does not fulfill the warranty for any reason.

22.1 All goods supplied by GSL are backed by manufacturers warranty against defects of material or workmanship for a period of 12 months from the date delivered, when used within the designed conditions for which they were manufactured. The warranty is limited to replacement, without charge, of parts found by GSL or its manufacturer to be defective in material or workmanship and does not extend to claims for labour, expenses and other consequential loss or damage occasioned by such defect when in use. GSL Liability to the Buyer, except as to the title arising out of the supplying of said equipment or its use, whether based upon warranty, contract or negligence, shall not exceed the cost of correcting defects in the goods as herein provided, and shall terminate upon expiration of the aforesaid 12 months period. This warranty does not cover incompatibility of material with process fluid, deterioration by corrosion, erosion, fair wear and tear, inappropriate use, inappropriate storage, negligence, accidental damage or any cause of failure other than defects in material or workmanship.

22.2 The foregoing warranty is exclusive and exhaustive and in lieu of all other warranties whether written, oral or implied and shall be the Buyers sole remedy and GSL's sole liability on contract or warranty or tort (including negligence) or otherwise for all or any of the goods and/or services. GSL makes no warranty as to the validity or scope of the patents underlying or relating to the goods and/or services or that the goods and/or services will be free from infringement on patents or other intellectual property rights of third parties.

23. Indemnity:-

The Buyer shall indemnify and hold harmless GSL, its subsidiaries and affiliates and their respective directors, employees and agents from and against any and all claims arising out of, in connection with, or related to any breach of or non-compliance by the Buyer of the provisions of this Agreement.

24. Governing Law:-

This agreement is subject to the Laws of South Australia unless otherwise specified and agreed by GSL. Any dispute arising out of or in connection with this Agreement shall be referred to and finally resolved by the arbitration rules of a South Australian Arbitration Centre for the time being in force which rules are deemed to be incorporated by reference into this clause.

25. Severability:-

Every term, condition or provision is severable from others. If a court or arbitrator of competent jurisdiction holds any term, condition or provision of this Agreement to be invalid, unenforceable or illegal in whole or in part for any reason, the validity and enforceability of the remaining terms, conditions or provisions, or portions of them, will not be affected.

26. Third Parties:-

A person who is not a party to this Agreement has no right to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.

27. Remedies:-

No remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, in equity, by statute or otherwise, and each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now hereafter existing at law, in equity, by statute or otherwise. The election of one or more remedies by GSL shall not constitute a waiver by such party of the right to pursue any other available remedies.

28. Headings:-

The headings in this Agreement are included for convenience only, and will not affect the construction or interpretation of any provision in this Agreement.

29. Assignment:-

The Buyer shall not, directly or indirectly, in whole or in part, assign or transfer this Agreement (whether by operation of law, sale of all or substantially all of its assets, sale or disposition of greater than 50% of its outstanding voting power or otherwise) or delegate any of its obligations under this Agreement without the prior written consent of GSL. Any attempted assignment, transfer, or delegation without such prior written consent will be void and unenforceable. Without limiting the foregoing, this Agreement will be binding upon and inure to the benefit of the parties and their permitted successors and assigns.

30. Limitation of Liability:-

If the delivery item cannot be used by the customer according to the contract due to fault on the part of Global Supply Line caused by failure to implement proposals and consultations or by improper implementation of proposals and consultations which were made prior to or after conclusion of the contract or by violation of other ancillary contractual obligations, in particular instructions on operation and maintenance of the delivery item, the provisions of this paragraph shall apply accordingly and any further claims of the customer shall be excluded.

Global Supply Line shall be liable, on whatsoever legal grounds, for damages which was not caused to the delivery item itself only in case of

- (a) wilful intent,
- (b) gross negligence of the owner/ the corporate bodies or executive staff,
- (c) negligent injury to life and limb,
- (d) malicious withholding of information about defects the absence of which was warranted,
- (e) defects of the delivery item to the extent liability for physical injuries or damage to privately used property exists according to the *German Product Liability Act*.

Except for cases of wilful intent or gross negligence liability Global Supply Line shall be limited to the value of the delivery item and only to the amount our insurer will pay out if a claim is successful.

Global Supply Line shall not be liable for any special, incidental, indirect or consequential loss or damage (including but not limited to loss of profit, loss of revenue, loss of use of equipment, service interruption, cost of power, cost of money and loss of use of capital) whether such a liability arises out of contract, tort (including negligence), strict liability or any other cause of form of action whatsoever.