

GENERAL CONDITIONS OF SALE
Applied Industrial Technologies
("Applied")

Unless otherwise agreed in writing with Applied Industrial Technologies Pty Ltd ACN 006 100 045 (Applied) these General Conditions of Sale (Terms) apply to the sale of goods or services to the Customer.

DEFINITIONS

In the following Terms:

- (a) **Contract or Security Agreement** means this contract for the sale of Goods or security agreement as otherwise as defined by the PPSA;
- (b) **Customer** means the person, firm or corporation, jointly and severally if there is more than one, acquiring Goods;
- (c) **Goods** means the Goods and services provided by Applied to the Customer including any inventory;
- (d) **PPSA** means the Personal Property Securities Act 2009 (Cth).

PRICES

Unless otherwise stated, prices are ex-warehouse. The right is reserved to apply prices ruling at the time of delivery, special transport charges or variations in tariffs, rates of exchange, special taxes, transport charges, insurance premiums, harbor dues or similar costs and increases in wages, cost of material or otherwise which affect Goods offered or sold are to be to the purchaser's account. This stipulation also holds good for quotations submitted and contracts made after outbreak of war. All prices are GST exclusive. GST will be added at the rate of 10% on all taxable supplies.

PACKING

Special packing is charged at cost price and is not returnable. Some packing material is charged with a deposit, which is refundable on return of this material.

TERMS OF PAYMENT & PAYMENT INSTRUCTIONS

Unless otherwise stated, terms of payment are net cash on delivery or, for approved monthly accounts, within 30 days of the date of invoice. In case of any discrepancies noticed in the invoice by you, please call our AR Controller as soon as possible on the relevant state telephone numbers for speedy resolution of the matter. Payment shall be made against each part or portion of the order delivered.

Our preferred Payment method:

Electronic Funds Transfer (EFT)	Credit Card Payment	Cheque Payment
BSB No: 033 070 Account No: 375 888 Bank : Westpac Banking Corporation Branch: Level 7, 360 Collins Street, Melbourne VIC 3000 <u>Note:</u> (a) please quote your account number; and (b) Fax or email a copy of the remittance advice to our AR Controller on the below mentioned relevant state fax numbers for speedy processing.	Applied will also accept payment by credit card. A credit processing fee will be charged at 1.5% of the payment on Visa/Master Card and 2.45% on American Express Card. In this case, please call our AR Controller on the below mentioned relevant state telephone numbers for speedy processing.	Please return your cheque to the respective state PO BOX address

State based AR Controllers	Postal Address	Phone Number	Fax Number
Victoria	PO Box 1011 Huntingdale – 3166	03 9567 8700	03 9567 8788
New South Wales	PO Box 1011 Huntingdale – 3166	03 9567 8700	03 9567 8788
Queensland	PO Box 493 Virginia – 4014	07 3265 4900	07 3265 6522
South Australia / Northern Territory	PO Box 493 Virginia – 4014	07 3265 4900	07 3265 6522
Western Australia	PO Box 1011 Huntingdale- 3166	03 9567 8700	03 9567 8788

If the Customer fails to comply with any terms of payment or requirements to secure payment, then without prejudice to any other rights or remedies available to Applied, Applied reserves the right to:

- (a) withhold further deliveries;
- (b) terminate the agreement with any unpaid amounts thereupon become immediately due; and/or
- (c) charge interest on any amount overdue by more than 60 days on a daily basis rate three (3) percentage points greater than the per annum percentage rate then prescribed by the Penalty Interest Rate Act 1983 (Vic) until the date full payment is made.

All payments made by the Customer shall be Applied by Applied first in reduction of any interest owing and then in reduction of the invoice amount.

All costs associated with the collection of overdue debts (including debt collection and legal costs on a full indemnity basis) are recoverable from the Customer, in accordance with the Rules of the Court.

RISK AND SECURITY INTEREST IN GOODS

Risk in the Goods passes to the Customer on delivery. Title to the Goods so delivered shall only pass to the Customer free of encumbrances upon payment in full by the Customer of all monies due by the Customer to Applied on any account.

Until all monies due by the Customer to Applied on any account are paid to Applied:

- (a) the Customer shall hold the proceeds from the sale of any Goods on trust for Applied;
- (b) the Customer acknowledges and agrees that it grants Applied a "Security Interest" (as that term is defined in the PPSA) in the Goods and that:
 - (i) the Customer will not grant or seek to grant any Security Interest in the Goods adverse to the interest of Applied;
 - (ii) Applied's Security Interest secures all monies owing by the Customer to Applied on any account;
 - (iii) Applied's Security Interest in the Goods (and the proceeds) is a "Purchase Money Security Interest" (PMSI) to the extent that it secures payment of the amounts owing in relation to the Goods;
 - (iv) Applied may apply any monies received by the Customer first to satisfy any portion of debt that is unsecured, second to satisfy any portion of debt that is secured but not by a PMSI and third to satisfy any portion of debt that is secured by a PMSI, or in any other manner Applied sees fit; and
 - (v) Applied's Security Interest attaches to the Goods when the Customer attains possession of the Goods;
- (c) Where Applied may lease Goods to the Customer, and if Applied has reasonable grounds to believe the lease may exceed 2 years, Applied may at its sole discretion, register a PMSI prior to the commencement of the lease;
- (d) Applied is and will be entitled at any time to demand the return of the Goods, to retake possession of the Goods (and in particular exercise its rights under section 123), and to recover the deficiency on resale plus cost of repossession from the Customer and the Customer must do all things necessary to immediately permit Applied without notice and without liability to Applied, to enter and access any premises occupied by the Customer in order to search for, locate, identify, retrieve and remove those Goods to which Applied has title;
- (e) For the avoidance of doubt and without prejudice to Applied's rights under the PPSA, the Customer:
 - (i) may process the Goods supplied and accession or commingle them with other property in which case Applied will have a security interest in any processed, accession and commingled Goods;
 - (ii) may sell the Goods to its Customers and if it does so, then Applied will have a security interest in the proceeds of sale; and
 - (iii) will, where and when applicable and instructed by Applied, implement, maintain and comply in all material respects with, procedures for the perfection of security interests, including taking all steps under the PPSA to perfect continuously any such security interest.
- (f) if there is any inconsistency between Applied's rights under this clause and its rights under Chapter 4 of the PPSA, this clause prevails;
- (g) if Chapter 4 of the PPSA would otherwise apply to the enforcement of Applied's Security Interest, the Customer agrees that the following provisions of the PPSA will not apply:
 - (i) section 95 (notice of removal of accession to the extent that it requires Applied to give notice to the Customer);
 - (ii) section 120 (enforcement of liquid assets);
 - (iii) section 121(4) (enforcement of liquid assets – notice to the Customer);
 - (iv) section 125 (obligation to dispose of or retain collateral);
 - (v) section 128 (Applied may dispose of collateral);
 - (vi) section 129 (disposal by purchase);
 - (vii) section 130 (notice of disposal, to the extent that it requires Applied to give a notice to the Customer);
 - (viii) sections 132(3)(d) (contents of statement of account after disposal) and 132(4) (statement of account if no disposal); (ix) section 135 (notice of retention);
 - (x) section 142 (redemption of collateral); and
 - (xi) section 143 (reinstatement of security agreement);
- (h) the Customer agrees to provide all information and execute all documents necessary for Applied to register and perfect Applied's Security Interest in the Goods under the PPSA and agrees that all fees in relation to registration including amendments to any registration are to be borne by the Customer;
- (i) until any obligations owed to Applied by the Customer are discharged in full, the Customer must not give Applied a written demand or allow any other person to give Applied a written demand requiring Applied to register a financing change statement under the PPSA or enter into or allow any other person to enter into the PPSR, a financing change statement; and
- (j) the Customer waives its right to receive any notice under the PPSA (including notice of a verification statement after registration or variation of a registration) unless a requirement for notice cannot be excluded under the PPSA.

TIME OF DELIVERY

Unless otherwise agreed upon, the time of delivery is calculated from the date of your receipt of communication of acceptance. Although every effort is made by Applied to keep the delivery promised, Applied assumes no liability for loss or damages occasioned by delays in delivery. Offers for delivery ex stock are subject to confirmation on receipt of order.

Without being liable to pay indemnity, Applied reserves the right to cancel the contract of purchase entirely or in part or to extend the delivery time in the case of force majeure, strikes, lock-outs or other interruptions in operation, stoppages, breakdowns in machinery, fire in our sub-contractor's works, transport difficulties, war or blockade involving Australia or any other country from which the material required for the Goods on order is expected to be procured and every circumstances of political, economical or other nature beyond our control.

Applied shall have the same rights set out in the preceding paragraph if circumstances arise which create for us or our sub-contractors, difficulties in procuring material or labour necessary for manufacture, the overcoming of which difficulties would entail additional costs that we or our sub-contractors ought not reasonably to have calculated with them when submitting quotations or making contracts.

The above stipulations also hold good for quotations submitted and contracts made after the outbreak of war.

CLAIMS

Claims for shortages of Goods should be made in writing immediately upon receipt of Goods and no claim will be recognised unless made within 7 days from receipt of the consignment in respect of which the shortage is alleged. Claims for non-receipt of Goods must be made within 30 days of the date of invoice. Other claims will not be considered unless received within 30 days of receipt of Goods and reference is made to the appropriate dispatch advice or invoice number.

RETURN OF GOODS FOR CREDIT

Goods covered by this order will not be acceptable for return without prior written approval from Applied and the return freight prepaid by the purchaser. Goods returned will be subject to a credit service fee of \$25.00 or 15% of the credit note value, whichever is greater (unless return is due to supply error). An additional service fee may apply if further inspection is required.

WARRANTY AND DISCLAIMER

Applied is a distributor of products manufactured by others and as such warrants that all Goods supplied are free of liens and other encumbrances. Except for the warranty of title, Goods are sold only with such warranties as may be extended by the manufacturer of the product.

APPLIED MAKES NO OTHER WARRANTY AND THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Applied will provide all reasonable assistance to Customer in obtaining the benefits of applicable manufacturer's warranties. Customer is responsible for installation and use in accordance with manufacturer's instructions. In no event will Applied be liable for incidental, consequential or special damages.

INSURANCE

Applied is under no obligation to insure the Goods after delivery of Goods to the purchaser. This includes Goods delivered to wharf, rail or outside carrier.

SERVICE

Any service or advice which may be offered by Applied, its servants or agents to users of its products is rendered in all good faith and Applied shall not be liable for any loss or damage arising therefrom.

SPECIFICATIONS AND DRAWINGS

Every effort is made to ensure that specification, drawings and other information in correspondence, catalogues, etc. are correct and accurate, but no warranty is given in respect thereof and Applied shall not be liable for any error. The Customer agrees that it does not rely on the skill or judgement of Applied in relation to the Goods or their use or application. The Customer has the sole responsibility of satisfying itself that the Goods are suitable for the Customer's use.

ACCEPTANCE OF QUOTATION

Quotations shall be open for acceptance for a period of 30 days from the date on which the offer was made until revoked or replaced by a further offer. Acceptance occurs at the time communication of acceptance is received by you whether communicated by verbal, written or electronic means. An electronic communication of acceptance is deemed to be received when it enters your computerised information system. Acceptance is expressly deemed to occur at the place of business of Applied. The time of delivery is calculated from the date of receipt of a communication of acceptance. A communication of an offer to buy products must, to validly constitute the offer, include all details necessary for the execution of the order. Quotations include only the work material or products specified in quotation. All details such as weights, etc, supplied in quotations we approximate only and are based on information available to Applied at time of quoting. In the event of suspension of work on Purchaser's instructions or lack of instruction or by failure to provide sufficient information to enable the work to proceed uninterrupted, the contract price may be increased to cover any extra expenses thereby incurred or in the event of cancellation of the contract the client may be charged with all costs incurred.

PARAMOUNTCY

These General Conditions of Sale, any associated invoices for Goods and any other contracts or agreements with the Customer will constitute the entire agreement between Applied and the Customer and will constitute a Security Agreement for the purposes of the PPSA. No terms, conditions, obligations or other provisions of any nature not contained in these General Conditions of Sale or in any associated invoice or other written agreement executed by Applied, will be of any effect.

For the avoidance of doubt, these General Conditions of Sale will apply in all circumstances, including where the Customer validly accept this quotation or where the Customer and Applied otherwise proceed with carrying out work under the quotation, whether or not the Customer, at any time and by any means, purports to impose its own terms and conditions.

TRUSTEE

This clause applies if the Customer is a Trustee and whether or not Applied has notice of the Trust.

Where the Customer comprises 2 or more persons and any of those persons is a Trustee this clause applies to such Trustee.

The Customer agrees that even though it enters into these Conditions as Trustee of the Trust, the Customer will also be liable personally for the performance and observance of every covenant to be observed and performed by the Customer expressed or implied in these Conditions.

The Customer warrants that it has complete, valid and unfettered power to enter into these Conditions pursuant to the provisions of the Trust and warrants that the Customer's entry into these Conditions is in the due administration of the Trust.

The Customer covenants it has an unrestricted and unlimited right of indemnity against the property of the Trust.

The Customer will not, without Applied' prior written consent:

- (a) resign or be removed as Trustee of the Trust or appoint or allow the appointment of a new or additional Trustee of the Trust;
- (b) amend or revoke any of the terms of the Trust;
- (c) vest or distribute the property of the Trust or advance or distribute any capital of the Trust to a beneficiary or resettle any of the property of the Trust;
- (d) permit a beneficiary to have the use, occupation, employment or possession of the property of the Trust;
- (e) do or permit or omit to do an act or thing in breach of the Trust or which would permit the Trustee to be removed as Trustee of the Trust;
- (f) exercise or permit or allow to be exercised a power to change the vesting date of the Trust or provide for an early determination of the Trust;
- (g) lend any money, give any guarantee or incur any debt other than in the ordinary course of business of the Trust; or
- (h) pay any of the income of the Trust to any beneficiary of the Trust if such payment will prejudice or affect the Customer's ability to pay all moneys due to Applied.

The rights and obligations of Applied and the Customer under these Conditions will be binding on, and will be of benefit to, each of the parties successors, permitted assigns, heirs, executors and administrators.

AUTHORISATION

Where a Customer uses or authorises the use of his or her signature in whatever form, including approving an authorised person including any employee to apply his or her signature, or leaving an authorised person with his or her email address and password in order to provide authorisation to Applied, the Director/Partner or Proprietor of the Customer acknowledges and agrees that he/she:

- (a) has full knowledge of the Terms and all material circumstances related to or as stated in the Credit Application or any other agreement between the parties;
- (b) has provided the requisite authority in whatever form for the use of his or her signature for the express purposes of agreement between the parties; and
- (c) acknowledges that Applied has relied upon that signature as having been duly signed with full and complete authority (express, implied or ostensible) by the Director/Partner or Proprietor.

GENERAL

If any of these Terms are unenforceable, it will be read down to be enforceable or, if it cannot be read down, the term will be severed from these Terms without affecting the enforceability of the remaining Terms.

A notice must be in writing and handed personally or sent by fax, email or prepaid mail to the addressee. Notices sent by mail are deemed to be received 3 days after posting. Notices sent by fax or email are deemed received on confirmation of transmission.

These Terms override the Customer's Terms. To the extent of any discrepancy between these Terms and any third party (including the Customer's own) Terms, these Terms prevail. These Terms constitute the entire Agreement (including Security Agreement) between the parties and no amendment or variation will be of any force and effect unless in writing and signed by both Applied and the Customer.

GOVERNING LAW OF CONTRACT

These Terms are governed by, and is to be construed in accordance with, the Laws of Victoria and the parties submit to the nonexclusive jurisdiction of the courts of Victoria and any court hearing appeals from those courts.