

# General Terms and Conditions of Sale

## 1 Application of Conditions

1.1 These Conditions of Sale ("**Conditions**") apply to all quotations, offers and purchase orders made or accepted by Hengst Filtration Pty Ltd (ABN 50 652 376 442) of Suite 402, 14-16 Lexington Drive, Bella Vista, NSW 2153 ("**Company**") and to deliveries of all goods manufactured or supplied by the Company ("**Products**") to any person, firm or company which enters into an agreement with the Company ("**Customer**").

1.2 So far as applicable, these Conditions also apply to the provision of any services including advice accompanying the supply of, or provided in relation to, Products ("**Services**") and, where the context allows, any reference to the supply of Products includes the provision of such Services.

1.3 These Conditions (which can only be waived or varied in writing by the Company) will prevail over all conditions of the Customer to the extent of any inconsistency.

## 2 Definitions

2.1 In these Conditions:

"**ACL**" means *Australian Consumer Law* as set out in Schedule 2 of the *Competition and Consumer Act 2010 (Cth)*;

"**Confidential Information**" means any proprietary or confidential documents, knowledge and information, prices, specifications, business and trade secrets, formulas and know-how, prices, production method, samples, models, drawings, data standard sheets, manuscripts and other technical and business documentation supplied or made known to the Customer, or other information in any form concerning the Company and its related entities worldwide;

"**Consequential Loss**" means any:

- (i) loss of profits;
- (ii) loss of revenue;
- (iii) loss of production;
- (iv) loss or denial of opportunity;
- (v) loss of or damage to goodwill;
- (vi) loss of business reputation, future reputation or publicity;
- (vii) loss of use;
- (viii) loss of interest;
- (ix) losses arising from claims by third parties;
- (x) loss of or damage to credit rating;

(xi) loss of anticipated savings; and

(xii) loss of contract,

whether direct, indirect or consequential;

"**Force Majeure Event**" means any cause whatsoever that is beyond the Company's control including but not limited to delays caused by suppliers, epidemic, pandemic, disease or public health alert, Act of God; war; civil disturbance; requisitioning governmental restrictions, prohibitions or enactments of any kind; import or export regulations; strikes; lock-outs or other industrial disputes (whether involving its own employees or those of any other person); difficulties in obtaining workmen or materials; breakdown of machinery; fires; or accident;

"**GST**" means the goods and services tax or similar value added tax levied or imposed in Australia under the GST Act and includes any replacement or subsequent similar tax;

"**GST Act**" means *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*;

"**Loss**" means any losses, liabilities, damages, costs, charges or expenses (including lawyer's fees and expenses on a full indemnity basis) whether direct or indirect (including Consequential Loss), fines and penalties;

"**Taxable Supply**" and "**Tax Invoice**" have the same meaning as in the GST Act;

"**Intellectual Property**" means all intellectual property rights of the Company and its related bodies corporate (including, without limitation, all copyright, designs, trade marks and patents) of any nature in any samples, cost estimates, sketches, inventions, designs, works, discoveries, trade secrets, know-how, computer software, Confidential Information (including in electronic form) and subject matter other than works, any application or right to apply for registration of such rights,

"**PPSA**" means the Personal Property Securities Act 2009 (Cth),

"**Security Interest**" shall have the meaning as defined under the PPSA.

## 3 Orders

3.1 Neither a Customer's quotation nor any order submitted or placed by a Customer ("**Order**") shall be binding on the Company unless and until the Company has given written acknowledgement of its acceptance on terms which include these Conditions ("**Order Confirmation**"). The Company reserves the right not to accept an Order, including where the Purchaser has

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exceeded its credit limit or has breached these Conditions. If Products are supplied without an Order Confirmation, the applicable invoice shall be deemed to constitute the Order Confirmation.

3.2 Each supply which the Company makes in response to an Order will be regarded as a separate contract for sale which is subject to these Conditions ("**Contract**").

3.3 Unless previously withdrawn, all quotations by the Company are binding and valid for 30 days from the date of the quotation or such other period as stated in that quotation.

3.4 If the Customer places the Order subject to finance, the Company will not be obliged to procure or supply the Product until the Customer has provided written evidence to the Company's reasonable satisfaction that such finance will be provided to the Customer.

### 4 Description and Use of Products

4.1 Any information published by the Company which explains or describes the Products, including photographs, designs, technical specifications, data relative to dimensions and weights, is indicative only and the Company is not responsible for any inaccuracies contained therein.

4.2 The Company reserves its right to change the Products at any time without notice. Where the Company changes or discontinues Products which are subject to a Contract, the Company will inform the Customer and provide the Customer with revised or updated Products which have the same or equal functionality and performance as stated in the Order Confirmation.

4.3 The Customer must use the Products at all times:

- (a) in accordance with any instructions or user manuals provided by the Company;
- (b) in an operating environment that meets any requirements specified by the Company, and is otherwise appropriate for the Product; and
- (c) in a manner that complies with all applicable laws and regulations.

### 5 Specification

5.1 Products are supplied in accordance with any specification in force at the time of concluding the agreement between the Company and the Customer ("**Specification**"). Any Specifications as shown on the Order are deemed to be checked and accepted by the Customer. Any additions and alterations made to a Specification by the Company at the request of the Customer shall be subject to an additional charge as specified by the Company.

5.2 The Customer is solely responsible, and must itself examine and test the Products at its cost, to ensure they are fit or suitable for the Customer's purposes. The Company accepts no liability for the fitness or suitability of the Products for the Customer's particular purposes.

### 6 Prices and Payment

6.1 The prices of the Products are the prices which have been notified individually and in writing by the Company to the Customer ("**Prices**").

6.2 Unless otherwise specified by the Company in writing, all prices are:

- (a) quoted FCA Company's warehouse in Australia (INCOTERMS 2020); and
- (b) exclusive of all freight costs, import charges, including customs duties, imposts and levies relating to the import, supply or use of the Products.

6.3 Unless otherwise agreed by the Company in writing, payment is due in full within 30 days of the date of the invoice, unless otherwise confirmed in writing by the Company ("**Payment Date**").

6.4 If the Customer defaults in the payment of any money due to the Company pursuant to these Conditions on the Payment Date, then in addition to any other rights which may be conferred upon the Company by law or equity, the Company will be entitled to be paid interest by the Customer on such money at the rate prescribed in Rule 36.7 of the Uniform Civil Procedure Rules 2005 (NSW) from the date of such default until full payment to the Company.

6.5 If payment is not made in accordance with clause 6.3, or if at any time the credit standing of the Customer, in the opinion of the Company, is at risk or has been impaired, the Company may refuse delivery of any Products ordered until alternative arrangements as to payment or credit in terms satisfactory to the Company have been agreed.

6.6 If GST is imposed on a Taxable Supply made by the Company to the Customer under or in connection with these Conditions, the Price of the Taxable Supply shall be equal to the GST-exclusive consideration that the Customer must pay to the Company for the Taxable Supply under these Conditions increased by an amount (the GST Amount) equal to the amount of GST payable on that Taxable Supply and the GST Amount is, subject to the Company issuing a Tax Invoice to the Customer, payable at the same time and in the same manner as the consideration to which it relates.

6.7 The Customer may not withhold or set off any payment or make deductions from any amount owing to the

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Company without the Company's prior written consent.

### 7 Cancellation

7.1 A notice of cancellation or variation of an Order must be submitted by the Customer in writing and is only effective upon the written approval by the Company, whereby such approval can be withheld by the Company in its discretion.

7.2 When a Customer gives written notice of cancellation or variation and the Company approves such a request in accordance with clause 7.1, without prejudice to its other rights, the Company reserves the right to charge for all Products and Services it has performed and shall need to perform in fulfilling the Order or, if the work is substantially complete or the Products were made to order or are otherwise not immediately available for sale to another customer at an equivalent price, to charge for the full amount set out in the applicable Order Confirmation in addition to any other costs the Company incurs on the Customer's behalf.

7.3 When an Order is cancelled in accordance with this clause 7, the Company may charge the Customer for each cancelled Order a fee comprising storage costs, loss of value of the Product as well as an administration fee of 25 % of the Price of the Product, as well as seek reimbursement from the Customer for any costs which the Company is charged by third parties as a result of the Order being cancelled.

### 8 Delivery

8.1 Unless the Company otherwise agrees, delivery of Products shall be made to the delivery point specified in the applicable Order Confirmation and the Customer shall be responsible, and will be charged for, any costs incurred in delivery and transport.

8.2 Stated delivery times are no more than an estimate by the Company and shall not be binding upon the Company. The Company will not be liable for any Loss resulting partly or wholly from late delivery.

8.3 The Customer must take delivery of the Products ordered by it from the Company in accordance with the Contract. Unless otherwise agreed by the Company in writing, the Customer must arrange pick up from the place of delivery as stated in the Contract within 5 working days after the Company advises the Customer that the Products are ready for collection. If the Customer fails to arrange pick up within that timeframe, the Company may charge the Customer additional delivery charges as well as reasonable storage charges payable monthly on demand.

8.4 If the quantity of Products delivered does not correspond with the quantity stated in an Order Confirmation, the Customer shall only be liable to pay for the quantity delivered in the case of short-delivery

and for the price stated in the Order Confirmation in the case of over-delivery (subject in the latter case to the Customer permitting the Company to collect the surplus Products), provided that in no event shall such short or over-delivery entitle the Customer to damages or give the Customer a right to rescind the agreement of which these Conditions form part.

8.5 Any surplus Products delivered shall remain the property of the Company and the Customer shall take all necessary precautions for the safe custody and protection of such surplus Products until the time of their removal by the Company.

8.6 In no circumstances shall any Products be returned to the Company without its prior written consent.

8.7 Unless otherwise agreed by the Company in writing:

(a) The Customer must inspect the Products on delivery. Where the Customer believes that there has been damage to or loss of the Products during transport, the Customer must note in writing any such damage or loss at the time of delivery on the delivery documents of the transport company.

(b) If the Customer believes that there is a defect in the products, the Customer must not on-sell or use the Products in a manufacturing process and must notify the Company in writing within 7 days after becoming aware of the defect.

(c) In the event of the Customer's failure to comply with the terms of this clause at the times as specified in (a) and (b) above, the Customer shall be deemed to have accepted the Products and, subject to any right which the Customer may have under the ACL, the Customer waives all rights to claim in respect of damage, Loss or defects in the Products.

### 9 Instalment Deliveries

9.1 Deliveries by instalments during an agreed period ("**Delivery Period**") must be agreed by the parties at the time the Order is accepted by the Company.

9.2 If the parties agree a specific quantity of Products is to be delivered by way of instalments during the Delivery Period, the Customer must make the individual requests for the delivery of each instalment of the Products at regular intervals during the term of the Delivery Period on the relevant dates agreed by the parties.

9.3 In the event that during a particular Delivery Period the Customer makes requests for less than the total amount of the Products ordered by the Customer with respect to that Delivery Period, the Company is no longer obliged to deliver the remaining Products, however the Company has the right to invoice the

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Customer, and the Customer is obliged to pay for, the total amount of the Products under that Order.

9.4 Where the Customer fails to request or accept instalment deliveries in accordance with these Conditions, the Company may store the Products at the risk and cost of the Customer, and the Customer will be deemed to be in default of payment for the delivery.

9.5 Where Products are ordered for delivery by instalments, each instalment is deemed to be a separate order and a separate contract performed by the Company upon delivery of that instalment.

### 10 Packaging

10.1 Whether or not expressly stated by the Company as being included in the Price of the Products, packaging cannot be returned by the Customer to the Company.

### 11 Passing of Risk and Title

11.1 Unless otherwise agreed by the Company in writing, risk in the Products shall pass to the Customer when the Products are delivered in accordance with clause 8.

11.2 Notwithstanding that risk passes to the Customer under clause 11.1, until full payment in cleared funds is received by the Company for all Products supplied by it to the Customer, as well as all other amounts owing to the Company by the Customer under any Contract:

- (a) legal title and property in the Products shall remain with the Company and does not pass to the Customer,
- (b) the Customer must store the Products separately and in such a manner and maintain any labelling and packaging of the Company, so that the Products are clearly and readily identifiable as the property of the Company,
- (c) the Customer must not sell the Products except in the ordinary course of the Customer's business,
- (d) the Customer holds and agrees to hold the proceeds of any sale, lease or other dealing with the Products for the Company in a separate bank account with a bank which does not (and will not in the future) provide finance to the Customer,
- (e) in addition to any rights the Company may have under Chapter 4 of the PPSA, the Company may, at any time, demand the return of the Products and shall be entitled without notice to the Customer and without liability to the Customer, to enter any premises where it suspects the Products may be located in order to search for and remove the Products without committing a trespass, even though they may be attached or annexed to other goods or land not the property of the Company, and for this purpose the Customer irrevocably

licenses the Company to enter such premises, undertakes that it will procure any necessary authority to enter from any relevant person and also indemnifies the Company from and against all Loss suffered or incurred by the Company as a result of exercising its rights under this subclause,

- (f) the Customer acknowledges and warrants that the Company has a security interest (for the purposes of the PPSA) in the Products and any proceeds and the Customer must do anything reasonably required by the Company to ensure that such security interest is enforceable, perfected and otherwise effective and has the priority required by the Company which, unless the Company agrees in writing otherwise, is first priority.

11.3 Until such time as Ownership in the Products passes to the Customer, the Customer shall:

- (a) be in a fiduciary relationship with the Company;
- (b) keep, and provide the Company at any time on reasonable request, proper and complete stock records covering the receipt, identification, storage, location, sale and movement of the Products; and
- (c) keep the Products, at its own cost, insured against such risks as a prudent owner of the Products would insure at their full cost price, with a reputable insurance company.

11.4 Notwithstanding clauses 11.2 and 11.3 the Customer is entitled until notified by the Company or until the happening of any of the events set out in clause 11.7 to, if the Customer is a retailer, sell the Products in the normal course of its business, in which case the proceeds of resale must be held in trust for the Company in a separate account.

11.5 The Company is entitled at any time while any debt remains outstanding by the Customer to notify the Customer of its intention to take possession of the Products and for this purpose the Customer irrevocably authorises and licenses the Company and its servants and agents to enter upon the land and buildings of the Customer with all necessary equipment to take possession of the Products. The Company is not liable for damage or injury to any premises caused by the Company exercising its rights under this clause.

11.6 On receipt of notice from the Company or on the happening of any of the events set out in clause 11.7, the following applies:

- a) the Customer's authority to sell or otherwise deal with the Products as set out in clause 11.4 is withdrawn;
- b) all amounts owed by the Customer to the Company become immediately due and payable;

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- c) the Company may withhold delivering further Products and all invoices issued by the Company to the Customer become due and payable immediately; and
  - d) the Customer must immediately deliver to the Company all Products which are in the Ownership of the Company.
- 11.7 The Customer shall give immediate notice to the Company of:
- (a) the Customer becomes insolvent under administration as defined in Section 9 of the *Corporations Act 2001*;
  - (b) any step is taken (including without limitation, any application made, proceedings commenced, or resolution passed or proposed in a notice of meeting) for the winding up or dissolution of the Customer or for the appointment of an administrator, receiver, receiver and manager or liquidator to the party or any of its assets;
  - (c) the Customer resolves to enter into or enters into a scheme of arrangement or composition with, or assignment for the benefit of all or any class of its creditors or proposes a reorganisation, moratorium or other administration involving any of them;
  - (d) the Customer becomes unable to pay its debts when they fall due, resolves to wind itself up or otherwise dissolve of itself;
  - (e) proceedings are commenced to make the Customer bankrupt or the Customer becomes bankrupt;
  - (f) an event analogous to any of those set out in clauses 11.7(a) to 11.7(e) occurs.
- 12 Personal Property Securities Act 2009 (“PPSA”)**
- 12.1 The Customer acknowledges and agrees that it grants the Company a Security Interest in the Products and their proceeds by virtue of the Company’s retention of title pursuant to clause 11.
- 12.2 The Customer undertakes to:
- a) do all things necessary and provide the Company on request all information the Company requires to register a financing statement or financing change statement on the Personal Property Securities Register (“PPSR”); and
  - b) not to change its name in any form or other details on the PPSR without first notifying the Company.
- 12.3 The Customer waives its rights to receive a verification statement in respect of any financing statement or financing change statement in respect of the Security Interest created by these Conditions.
- 12.4 To the maximum extent permitted by law, the Customer waives any rights it may have pursuant to, and the parties contract out of, the following sections of the PPSA:
- (a) section 95 (notice of removal of accession);
  - (b) section 123(2) (notice of seizure);
  - (c) section 125 (obligation to dispose of or retain collateral);
  - (d) section 129(2) (notice of disposal by purchase);
  - (e) section 130 (notice of disposal);
  - (f) section 132(3)(d) (contents of statement of account after disposal);
  - (g) section 132(4) (statement of account if no disposal)
  - (h) section 135 (notice of retention);
  - (i) section 142 (redemption of collateral); and
  - (j) section 143 (reinstatement of security agreement).
- 12.5 The Customer appoints the Company as its attorney to sign in the Customer’s name all documents which the Company considers necessary to enforce or protect its rights and powers under these Conditions and to perfect, preserve, maintain, protect or otherwise give full effect, under the PPSA and related regulations, to these Conditions and the Security Interest created by these Conditions.
- 12.6 The Customer will reimburse the Company for any fees payable by the Company in relation to the registration of the Security Interest created by these Conditions, including registration fees and maintenance fees.
- 12.7 These Conditions create a Security Interest in all Products which the Company has supplied to the Customer and all Products which the Company supplies to the Customer in the future. Initial registration of a financing statement by the Company in respect of the Customer under the PPSA covers Security Interests in Products supplied now or subsequently under these Conditions.
- 12.8 Unless otherwise defined in these Conditions, the terms and expressions used in this clause 12 have the meanings given to them, or by virtue of, the PPSA.

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### 13 Conditions and Warranties

- 13.1 To the extent permitted by law and subject to clause 13.2, all conditions or warranties (whether express or implied by statute or common law or arising from conduct or by previous course of dealing or trade custom or trade usage or otherwise) as to the quality of the Products or their fitness for any particular purpose (even if that purpose is made known expressly or by implication to the Company) are hereby expressly excluded.
- 13.2 Nothing in these Conditions excludes, restricts or modifies the application of the ACL and any rights which the Customer may have thereunder.
- 13.3 To the fullest extent permitted by law, the Company's liability for any breach of a consumer guarantee implied by the ACL (and which cannot be excluded) shall be limited to any one or more of the following (as determined by the Company in its absolute discretion):
- (a) in the case of Products, the replacement repair or payment of the cost of replacement or repair of the Products; and
  - (b) in the case of Services, supplying the Services again or payment of the cost of having the Services supplied again.
- 13.4 Subject to any rights which the Customer may have under the ACL, the Company accepts no liability for any Loss, whether suffered by the Customer or by any third party and whether or not the Company was aware that such Loss was possible or such Loss was otherwise foreseeable, whether such Loss arises from any representation, recommendation or advice made or given in relation to the Products or the use of the Products.

### 14 Force Majeure

- 14.1 The Company shall not be liable for any Loss or damage caused by delay in the performance or non-performance of any of its obligations under a Contract occasioned by a Force Majeure Event. If a Force Majeure Event occurs, the Company may vary, cancel or suspend any Order Confirmation or Contract of which these Conditions form part without incurring any liability for any such Loss or damage.
- 14.2 Where delivery is delayed as a result of a Force Majeure Event, the agreed delivery times will be extended as appropriate. If delivery is impossible or unreasonable as a result of a Force Majeure Event, the Company will no longer be obliged to effect delivery. Where the delay in delivery caused by a Force Majeure Event exceeds one (1) month, the Company and the Customer have the right to terminate the part of the Contract to which the delay relates.

### 15 Intellectual Property

- 15.1 The Company for and on behalf of itself, its related bodies corporate and licensors reserves ownership in any Intellectual Property, relating to the quotations, specifications, technical drawings, price lists, tender documentation and Products (including any associated software) ("**Protected Items**"). Nothing in these Conditions operates or is intended to deny the Company or its related bodies corporate, or confer on the Customer, the Intellectual Property or any other intellectual property rights in the Protected Items.
- 15.2 The Customer must not use or make the Protected Items available to third parties without the prior written consent of the Company.
- 15.3 The Customer must only use the Protected Items and any associated Intellectual Property in accordance with the terms of the Contract.
- 15.4 The Customer must not use, reproduce or copy any software associated with the Product, without the prior written consent of the Company.
- 15.5 If the Customer becomes aware of any actual, threatened or suspected infringement of the Intellectual Property, the Customer must inform the Company promptly of the actual, threatened or suspected infringement.
- 15.6 The Customer shall indemnify the Company for and in respect of claims by any third party in relation to Products where such claims arise from, or can be attributed to, the special requirements or specifications of the Customer.

### 16 Local Standards

- 16.1 It is the responsibility of the Customer at its own costs to:
- (a) observe any applicable laws in Australia in regard to the use and storage of the Products;
  - (b) apply for and obtain all necessary licences, permits or other authorisations required by the local law in relation to the use of the Products and to inform the Company of any licences, permits or other authorisations which the Customer obtains under this clause.
- 16.2 The Company is not obliged to perform any of its obligations under any contract of which these Conditions form part, including delivery, unless and until the Customer has complied with clause 16.1.
- 16.3 The Customer agrees that it releases, discharges and holds harmless the Company (including the Company's employees, officers and agents) with respect to all

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claims, actions, suits, demands, costs, penalties, damages and expenses (including legal expenses on a solicitor client basis) which the Company has or may have as a result of the Customer not having complied with its obligations under clause 16.1.

### 17 Confidentiality

17.1 All Confidential Information is and will remain the exclusive property of the Company.

17.2 The Customer must not, except as required by law or by the Company directly or indirectly communicate any Confidential Information to any person without the prior written consent of the Company, and must at all times use its best endeavours to prevent the use or disclosure of any Confidential Information by third parties.

17.3 The Customer will impose the same obligation as set out under clause 17.2 on its employees and contractors who are involved in the performance of the Contract.

### 18 Privacy

The Customer acknowledges that the Customer's personal information as defined under the *Privacy Act 1988* (Cth) ("**Act**") is likely to be disclosed to recipients located in Germany, being the location of the parent company of the Company. The Customer expressly consents by to the Company disclosing the Customer's personal information to third parties located outside Australia whereby a) the Company will not be accountable under the Act, b) the Customer will not be able to seek redress under the Act, c) the overseas recipient may not be subject to any privacy obligations or to any principles similar to the Australian Privacy Principles, d) the Customer may not be able to seek redress in the overseas jurisdiction; and e) the overseas recipient may be subject to a foreign law that could compel the disclosure of personal information to a third party, such as an overseas authority.

### 19 Assignment

The agreement of which these Conditions form part is personal to the Customer and may only be assigned by the Customer with the prior written and informed consent of the Company.

### 20 Waiver

No neglect, delay or indulgence on the part of the Company in enforcing these Conditions shall prejudice the rights of the Company or be construed as a waiver of any such rights.

### 21 Severability

If any one or part of these Conditions is illegal, invalid or unenforceable it shall be read down so far as necessary to give it a valid and enforceable operation

or, if that is not possible, it shall be severed from these Conditions, but in any event the remaining Conditions and any other provisions of the agreement of which these Conditions form part shall remain in full force and effect.

### 22 Whole Agreement

In relation to the subject matter of these Conditions, these Conditions supersede all oral and written communications by or on behalf of any of the parties.

### 23 Disputes

23.1 If a difference or dispute ("**Dispute**") between the Company and the Customer arises in connection with the subject matter of a contract of which these Conditions form part, then either party may give the other a written notice of Dispute adequately identifying and providing details of the Dispute.

23.2 Within 10 business days after receiving a notice of Dispute, the parties must confer at least once to resolve the Dispute or to agree on methods of doing so. At every such conference each party must be represented by a person having authority to agree to such resolution of methods. All aspects of every such conference except the fact of occurrence shall be privileged.

23.3 If the Dispute is not resolved within 20 business days of service of the notice of Dispute, either party may refer that Dispute to mediation administered by the Australian Commercial Dispute Centre ("**ADC**").

23.4 The mediation shall be conducted in accordance with the ADC Guidelines for Commercial mediation which are operating at the time the matter is referred to the ADC. The Guidelines set out the procedures to be adopted, the process of selection of the mediator and the costs involved. The terms of the Guidelines are hereby deemed incorporated into this Agreement.

23.5 This clause shall survive termination of any contract of which these Conditions form part.

### 24 Governing Law

The Conditions and any agreement of which they form part are governed by and must be construed in accordance with the laws which apply in the State of New South Wales and the parties submit to the jurisdiction of that State.