TERMS AND CONDITIONS OF SALE

The following terms and conditions of sale shall apply to the sale of goods and services ("goods") by Godfrey Hirst to the customer. These terms and conditions of sale replace any previous terms and conditions of sale.

1. DEFINITIONS AND INTERPRETATION

1.1 In the following terms and conditions of sale, any credit application form or any other associated or collateral documents (unless a contrary intention is stated) "Godfrey Hirst" means Godfrey Hirst Aust Pty Ltd ABN 58 000 849 758 or any of its subsidiaries or associated companies or their respective assigns supplying the goods; "customer" means the person or corporation whose order for the purchase of the goods is accepted by Godfrey Hirst ; "terms" means the following terms and conditions of sale or any one or more of them; "PPSA" means the Personal Properties Securities Act 2009 and "consumer legislation" means the Competition and Consumer Act 2010, the Australian Consumer Law or any other federal or state act or any regulations thereunder relating to the sale or supply of goods.

1.2 In the interpretation of these terms, words importing the singular include the plural (and vice versa) and words denoting a given gender shall include all other genders; a reference to a person, individual, corporation, trust, partnership, joint venture, statutory or other authority, association (incorporated or unincorporated), state or government includes any of the foregoing; a reference to any legislation or a provision thereof or schedule thereto includes any statutory modification or re-enactment or any legislative provision substituted therefor and all ordinances, by-laws, regulations and other statutory instruments issued thereunder; and if more than one person is named and described as the customer the obligations of those persons under these terms will be joint and several. The headings used do not form part of these terms and are for convenience only.

2. SALE AND PURCHASE OF GOODS

2.1 Placement of an order, either verbally or in writing, shall imply acceptance of the terms. Upon the acceptance of the customer's order by Godfrey Hirst, Godfrey Hirst agrees to supply and the customer agrees to purchase the goods on the terms.

2.2 The terms contain the entire agreement and understanding of the customer and Godfrey Hirst in respect to the sale and purchase of the goods and supersedes all prior discussions and replaces in total any terms and conditions contained or referred in the customer's order. The terms can only be amended, varied or waived in writing signed by the customer and by a person authorised to sign such amendment, variation or waiver on behalf of Godfrey Hirst. The only other terms and conditions which are incorporated in this agreement are those terms and conditions which are incorporated by law in an agreement of this nature under any consumer legislation and which cannot be excluded. Nothing in this agreement whether express or implied, will be taken to exclude, restrict or modify any such non-excludable conditions, warranties or rights. Insofar as any incorporated terms and conditions maybe excluded they are hereby excluded and negatived.

2.3 Godfrey Hirst may vary these terms and conditions by notice in writing to the customer. The customer agrees that the purchase of any goods after the date of notice of variation will be deemed to be acceptance of such varied terms and conditions.

2.4 A quotation shall not constitute an offer to sell goods to the customer. Godfrey Hirst reserves the right in its absolute discretion to accept or reject any offer made on the basis of any quotation or otherwise, without providing any reason.

3. PAYMENT FOR GOODS

3.1 Unless otherwise agreed, payment for goods and any other costs and expenses payable by the customer under the terms will be paid to Godfrey Hirst at or prior to delivery of the goods to the customer. Other terms of trading may be negotiated on a customer by customer basis.

3.2 Credit facilities are available and will be negotiated on a confidential basis. Credit terms will not automatically be granted.

3.3 Despite any other clause in these terms and conditions, Godfrey Hirst may, at its sole discretion, grant or withdraw the customer's credit facilities at any time without notice or at its discretion alter the customer's credit limit for any reason (including to meet the customer's then buying needs). Godfrey Hirst will notify the customer of any alteration in the credit limit by notice to that effect either by email, letter or facsimile to the customer's contact details in their credit application or as subsequently advised, or in the following monthly account statement.

3.4 Should there be any variation to any of the information supplied by the customer to Godfrey Hirst or in the structure or nature of the customer's business (including without limitation conversion to or from a company or trust, any recapitalisation, reorganisation, consolidation, merger or sale or disposition of all or substantially all of the customer's assets or sale of 50% or more of any class of voting securities of the customer or similar change or event) the customer shall forthwith notify Godfrey Hirst in writing.

3.5 Unless expressly stipulated by Godfrey Hirst to be a firm price, the prices charged by and payable to Godfrey Hirst for the purchase of goods shall be those prices charged by Godfrey Hirst at the date upon which the goods are delivered to the customer.

3.6 Prices and service fees (including, without limitation, cancellation, return, cut length, packing and storage fees) are subject to alteration without notice, however, prior notice will be given wherever possible.

3.7 It is agreed that should the customer fail for any reason to acquire the total quantity of goods ordered then without limiting the other rights and remedies of Godfrey Hirst the unit price charged for the goods may be amended to take into account any variation in the total quantity purchased.

3.8 The customer shall pay to Godfrey Hirst in addition to the purchase price any tax, including GST, excise or other government charges imposed upon the importation, production, sale or transportation of any goods which Godfrey Hirst may be required to pay other than any tax payable under Income Tax Assessment Act 1936.

3.9 Unless otherwise agreed to by Godfrey Hirst, the only accepted means of paying accounts will be by cash, bank cheque, COD, electronic funds transfer, or subject to payment of such additional charges as maybe advised from time to time, by mastercard, visa or American Express credit cards, such additional charge being payable at the same time as the account to which it relates is due.

3.10 All payments required to be made by the customer under this agreement will be made free of any set-off, or counterclaim and without deduction or withholding. Any amount due to the customer may be deducted from any moneys which may be or become payable to the customer by Godfrey Hirst or any related corporation of Godfrey Hirst (as defined under the Corporations Act).

4. INFORMATION OF THE GOODS

4.1 The customer acknowledges that:

(a) The description of the goods shall be as set out in the Godfrey Hirst order confirmation. All drawings, descriptive matter, specifications and advertising issued by Godfrey Hirst and any descriptions or illustrations contained in Godfrey Hirst's catalogues or brochures are issued or published for the sole purpose of giving an approximate idea of the goods described in them. They will not form part of this agreement

(b) Variations consequent upon review of specifications, materials and/or source of goods may occur from time to time and the customer waives any right to receive details or information concerning the reviews or the implementation of those reviews or both and agrees to accept the goods subject to the varied specifications, material and/or source of goods ; and

(c) The customer has not, in acquiring the goods for any particular purpose, relied upon the skill, judgment or recommendation of Godfrey Hirst or any of its employees or agents

4.2 The customer further acknowledges that to the extent the goods are carpet:

(a) Roll sizes as stated on price lists and other information are average sizes only and variations will occur from time to time

(b) Shade or pattern variations may occur between samples chosen by the customer and the goods and from dye lot to dye lot but will be within recognised textile industry standards. A dye variation may occur in a single production run from beginning to end and no claim will be considered should carpet not be laid in strict accordance with sequential roll numbers (if relevant)

(c) All carpets are subject to some degree of bowing and/or skewing. Bowing of up to 40 mm over any single width of carpet is acceptable, and, unless otherwise specifically provided, no guarantee or warranty is provided that bowing or skewing will be less than 40 mm over any single width of carpet

(d) The following characteristics of certain products are not manufacturing defect/s and will not give rise to any liability on the part of Godfrey Hirst (nor will any claim be made in respect thereto):

(i) Tracking/shading/pile reversal or crushing where it may appear from certain angles, that particular areas are lighter or darker than others, due to the pressure on the pile during use causing pile to lay in different directions resulting in light refraction.

(ii) Construction of some carpets involving the occurrence of shift lines across the width of the carpet such that certain light sources shining across the carpet may accentuate these lines in the form of shadowing.

(iii) Where carpet design includes the random use of contrasting colours, the coinciding of these colours in production, causing an effect known as phasing, and/or in loop pile carpets, shading effects of colour patterning appearing as panelling down the length of the carpet.

(iv) Fading or changing of character due to ozone damage where the goods have been exposed to direct sunlight and/or unexplained dramatic colour changes as the result of ozone, emissions from heating fuels and airconditioners, pesticides, cleaning agents, benzol peroxide, and other household items (known as ozone damage) particularly in coastal areas with a high ultra-violet content.

(v) Some degree of matting and flattening, particularly in areas of high traffic (eg in front of seating areas, doorways, etc) .

(e) Certain patterned products may contain minor irregularities or may be products in respect of which perfect pattern matching cannot be guaranteed, full details of which are set out on samples and/or in merchandising information supplied to the customer

(f) Unless the customer specifically requests more than one roll from the same dye lot, both at the time of ordering and at the time when the order is confirmed, and marks their requirement as "all same dye lot", Godfrey Hirst will use reasonable endeavours to accommodate the customer request but Godfrey Hirst is under no obligations to ensure that the goods are from the same dye lot and shall not be liable to the customer where it does not secure this

(g) All goods sold as budget items or as seconds quality, specials, mill ends, unwarranted products, remnants or "as is" or invoiced as Budget or Merchandise, are sold without warranty and all defects (if any) in such products shall, by the customer, be brought to the attention of any third party purchasers of such goods

(h) All carpet must be laid in accordance with Australian Standards Association Carpet Installation Recommendations AS2455-1995 and otherwise in accordance with the manufacturer's Recommended Tufted Carpet Installation Procedure

(i) The customer will bring to the attention of and seek acknowledgement from any third party purchaser of the goods , to the extent it may be relevant, of the issues raised in clauses 4.2(a) to (h) (inclusive).

(j) The customer will not tamper with any Godfrey Hirst labelling on samples, or, without the prior consent of Godfrey Hirst, sell goods under brands or product names other than the brand/name under which the goods are sold to the customer by Godfrey Hirst.

4.3 If the goods are supplied to the customer's design, the customer warrants that the manufacture and supply of such goods by Godfrey Hirst will not infringe any patent, copyright, registered design or other rights of any person.

5. DELIVERY

5.1 Godfrey Hirst will use reasonable endeavours to deliver the goods to the customer on or before the delivery date specified on the order (if any), but otherwise as notified by Godfrey Hirst to the customer (the "Delivery Date"). However, any Delivery Dates are an estimate only and time for delivery shall not be of the essence. The customer acknowledges Godfrey Hirst will not be liable for any direct, indirect or consequential loss (all three of which terms include, without limitation, loss of profits, loss of business, depletion of goodwill and like loss) costs, damages, charges or expenses caused directly or indirectly by any failure to deliver on the delivery date the goods (even if caused by Godfrey Hirst's negligence). Late delivery of the goods will not entitle the customer to rescind or repudiate any agreement.

5.2 Where the customer seeks the goods to be delivered or available for delivery on a specified date, the customer must both at the time of ordering and on the customer's confirmation order clearly specify the proposed date. Godfrey Hirst shall where possible try to meet such dates but shall not be obliged to do so.

5.3 Godfrey Hirst, may at its option unless otherwise specifically agreed to the contrary, deliver the goods by instalments. If the goods are delivered by instalments then:

(a) Each delivery shall constitute a separate agreement and failure by Godfrey Hirst to deliver one or more of the instalments in accordance with this agreement or any claim by the customer in respect of any one or more instalments shall not entitle the customer to treat this agreement as a whole as repudiated; and

(b) Godfrey Hirst is entitled to complete delivery of the goods by instalment despite any delay or failure by Godfrey Hirst to deliver any instalment.

5.4 The customer agrees to accept delivery of the goods at any time during normal business hours.

5.5 Should the customer fail to accept delivery of the goods as provided in this clause; or Godfrey Hirst defers delivery either when specifically requested by the customer or due to the failure of the customer to comply with the terms (including where the customer fails to accept the goods for any reason on or after the due date of delivery); or the customer requests delivery of the goods be at a specified time or upon a time to be advised being after the date of invoice - the goods will be deemed to have been delivered on the date so notified and without prejudice to all other rights and remedies which Godfrey Hirst has under this agreement or at law or in equity, Godfrey Hirst may arrange storage of the goods at its warehouse or some other place it considers reasonable. The customer will be liable for all extra charges, losses or expenses incurred by Godfrey Hirst. If the goods are stored at Godfrey Hirst's warehouse, Godfrey Hirst will be entitled to storage charges at the rate then prevailing in the Godfrey Hirst price lists.

5.6 Unless otherwise specified in writing, the goods will be delivered free into the customer's store in Sydney, Canberra, Melbourne, Geelong and such other areas as Godfrey Hirst may designate from time to time. A packing fee will be payable by the customer. The customer or customer's agent must provide all necessary assistance and facilities for off loading at its own cost, using only certified materials handling equipment and work practices within occupational health and safety guidelines.

5.7 Deliveries outside the designated area:

(a) Will be despatched to the customer from the abovementioned locations at the customer's expense; and

(b) Where Godfrey Hirst arranges transportation of the goods by an independent carrier, Godfrey Hirst will have absolute discretion as to the appointment of the independent carrier provided that Godfrey Hirst will in no way be responsible whatsoever for any negligence (wilful or otherwise) or any action or inaction on the part of that carrier.

6. PASSING OF TITLE AND RISK

6.1 The goods shall be at the customer's risk (including for loss or damage caused by Godfrey Hirst's negligence) at the earlier of:

(a) delivery to the customer or the customer's agent; or

(b) where the goods are being delivered outside the designated areas then upon delivery to the carrier who or which are to deliver the goods; or

(c) should the customer or the customer's agent fail to accept delivery of the goods when they are delivered to the customer or the customer's agent, unless otherwise determined by Godfrey Hirst, upon the failure to accept delivery by the customer or the customer's agent (as the case maybe). In such event Godfrey Hirst shall be entitled to payment for the goods as if they were delivered and Godfrey Hirst may at its discretion store the goods at the risk and cost of the customer and all costs of storage and insurance shall be fully recoverable from the customer.

6.2 Upon the passing of the risk in the goods until title in the goods passes to the customer, the customer will keep the goods properly insured against theft or any damage for their full reinstatement value noting the interest of Godfrey Hirst .

6.3 Until the customer has met and paid all that is owed to Godfrey Hirst on any account whatsoever and/or until the goods have been physically delivered to the customer, the customer agrees that the property and title in the goods shall not pass to the customer and Godfrey Hirst retains the legal and equitable title to the goods not yet sold under clause 6.5 and/or goods not yet physically delivered to the customer.

6.4 Until payment in full has been made to Godfrey Hirst, the customer:

(a) will hold goods supplied in a fiduciary capacity for Godfrey Hirst

(b) shall store the goods in such a matter that they can be identified as the property of Godfrey Hirst, and not mix the goods with other similar goods; and

(c) agrees Godfrey Hirst has the right, with or without prior notice to the customer, to enter upon any premises owned or occupied by the customer (or any receiver, receiver and manager, administrator, liquidator or trustee in bankruptcy of the customer) where Godfrey Hirst reasonably believes the customer may be storing unpaid goods supplied by Godfrey Hirst (either directly to the customer or through any intermediary) and repossess such goods without being liable for any damage caused; in that regard the customer grants Godfrey Hirst, its agents and employees an irrevocable mandate and licence at any time to enter any premises where the goods are sold and/or stored. The customer will indemnify Godfrey Hirst from and against, and will pay on demand to Godfrey Hirst all loss, damage, costs or expenses incurred by Godfrey Hirst in respect of any repossession and/or resale of the goods or any of them and agrees Godfrey Hirst has the absolute right to sell or deal with the goods.

6.5 The customer shall be entitled to resell goods in the possession of the customer before ownership has passed to it solely on the following conditions:

(a) any sale may only be made by a bona fide sale at full market value in the ordinary course of business of the customer;

(b) any sale will be effected as bailee for Godfrey Hirst and the customer must make this fact expressly known to any buyer from it by including an express statement to that effect in any sale contract; and

(c) the proceeds of sale shall be held by the customer on trust for Godfrey Hirst absolutely.

6.6 The customer's indebtedness to Godfrey Hirst, whether in full or in part, shall not be discharged by the operation of clause 6.5 unless and until the funds held on trust are remitted to Godfrey Hirst.

6.7 Any samples, books or other materials supplied free of charge to the customer by Godfrey Hirst remain the property of Godfrey Hirst and must, upon request by Godfrey Hirst, be returned promptly.

6.8 The provisions of this clause apply despite any provision of credit to the customer by Godfrey Hirst.

6.9 The customer acknowledges and agrees that, by accepting these terms, the customer grants Godfrey Hirst a security interest over the goods, any other goods of which the goods may form a component and their proceeds (by virtue of the retention of title in this clause) and consents to Godfrey Hirst recording the details of this agreement on the Personal Property Securities Register. The customer must sign all documents and take all steps as Godfrey Hirst may reasonably require in connection with the registration, perfection and enforcement of this purchase money security The customer waives its right to be provided with verification statements pursuant to section 157 of the PPSA and, the parties agree to contract out of the PPSA in accordance with section 115 of the PPSA to the extent that section 115 applies for the benefit of, and does not impose a burden on Godfrey Hirst. It is further agreed that where Godfrey Hirst has rights in addition to those in chapter 4 of the PPSA, those rights will continue to apply and, in particular, will not be limited by section 123 of the PPSA. The customer must pay (a) the costs, charges and expenses of and incidental to the need for or desirability of registration of a financing statement or financing change statement or any action taken by Godfrey Hirst to comply with the PPSA (including complying with a demand given under section 178 of the PPSA) or to protect its position under the PPSA; and (b) any costs incurred by Godfrey Hirst including all reasonable legal costs arising from any disputes or negotiations with third parties claiming an interest in any goods supplied to the customer. Unless the context requires otherwise, the terms and expressions used in this clause have the meanings given to them in, or by virtue of, the PPSA.

7. TERMINATION OR BREACH OF TERMS

7.1 Without prejudice to any of its other rights and remedies if the customer, or any company related to the customer (as defined under the Corporations Act):

(a) commits any breach of this or any other agreement with Godfrey Hirst including and without limitation, failing to pay any moneys when due; or

(b) being a natural person, commits an act of bankruptcy; or

(c) being a company, has an application or an order made, proceedings commenced, a resolution passed or proposed in a notice of meeting or an application to a court or other steps taken for the winding up, dissolution, official management or administration of that company; or

(d) enters into any arrangement compromise or composition with or assignment for the benefit of its creditors or any class of them creditors; or

(e) ceases, suspends or threatens to cease or suspend the conduct of its business or disposes or threatens to dispose of its assets other than in the ordinary course of business;

(f) is, or is deemed under any applicable legislation to be, or admits in writing that it is, unable to pay its debts as and when they fall due or stops or suspends or threatens to stop or suspend the payment of all or any class of its debts; or

(g) has a receiver, receiver and manager, administrator, provisional liquidator or liquidator or similar official appointed to it or over its assets, or any part of its assets, or a distress, attachment or other execution is levied or enforced against the customer or its assets;

then Godfrey Hirst may, without prejudice to its other rights and remedies, elect to do any one or more of the following:

(h) terminate the agreement immediately, withdraw the bailment granted in respect of any goods supplied by Godfrey Hirst and/or withdraw any credit facilities extended to the customer by Godfrey Hirst;

(i) declare all moneys owing by the customer to Godfrey Hirst immediately due and payable;

(j) suspend or defer delivery of any further goods to the customer.;

(k) require immediate return of any goods for which Godfrey Hirst has not been paid;

(l) without notice, resell the goods to a third party; and/or

(m) enter upon any premises owned or occupied by the customer and repossess such goods under clause 6.4(c).

7.2 If the customer becomes insolvent, the customer remains liable under this agreement for payment of all moneys due, even if Godfrey Hirst receives a dividend or payment as a result of the customer being insolvent.

7.3 Without prejudice to any other rights, Godfrey Hirst may charge interest on any overdue payment. Interest shall accrue daily from the due date for payment at the rate of 16% per annum until receipt of payment whether or not judgement is obtained.

7.4 Time is of the essence in the performance of the customer's obligations under this agreement

7.5 The customer shall make all payments due to Godfrey Hirst under this agreement without any deduction whether by way of set-off, counter claim, discount, abatement or otherwise unless the customer has a valid court order requiring an amount equal to such deduction to be paid by Godfrey Hirst to the customer.

8. RETURNS

8.1 Unless Godfrey Hirst has previously agreed in writing by issue of a permission to return and the goods are returned in good and marketable condition in the same condition as despatched from Godfrey Hirst (eg not cut), Godfrey Hirst will not accept any return of the goods sold by it. Consequently no credit or other notes will be issued for any goods returned without such agreement.

8.2 Should any permission to return be issued on a representation by the customer as to any fault in the goods or error by Godfrey Hirst and upon inspection by Godfrey Hirst upon the return of the goods such representation is not substantiated, the customer will pay and Godfrey Hirst will be entitled to fees as if the order were a cancelled order together with the inspection costs and transportation expenses associated with the return of the goods to the Godfrey Hirst warehouse and redelivery of the goods and/or delivery of any replacement goods .

8.3 It is agreed that within the designated areas any authorised returns shall be collected by Godfrey Hirst and outside the designated area Godfrey Hirst may choose the method by which the goods are to be transported to Godfrey Hirst and the expense of transportation shall be determined by agreement.

8.4 All authorised returns shall be packaged in a manner which will ensure that the goods are not damaged in transit and shall clearly be labelled with the addresses of the customer and Godfrey Hirst and the relevant permission or return number provided by Godfrey Hirst. All goods shall until collected by Godfrey Hirst be at the customer's risk.

9. CANCELLATION OF ORDERS

9.1 Godfrey Hirst reserves the right to cancel any customer's order wholly or partially and Godfrey Hirst shall not be responsible for any loss or damage thereby suffered by the customer.

9.2 The customer acknowledges that:

(a) any request by the customer for a cancellation of order for goods is in the sole discretion of Godfrey Hirst and Godfrey Hirst may decline to accept the cancellation for any reason whatsoever and without assigning the reasons therefore;

(b) should Godfrey Hirst accept any cancellation, the customer will pay and Godfrey Hirst will be entitled to the cancellation fees at the rate then prevailing in the Godfrey Hirst price lists; and

(c) cancellation of roll cut length or sample order will generally not be accepted after goods have been manufactured, cut or assembled provided that Godfrey Hirst may as a condition of acceptance of such cancellation, require payment in addition to cancellation fees, of such extra charges, losses or expenses incurred by Godfrey Hirst in association with the cancellation of such order.

10. WARRANTIES

10.1 Godfrey Hirst is licensed under the Australia Carpet Classification Scheme (License No 1012) and Godfrey Hirst warrants that its carpets which display the Australian carpet mark will be appropriate for use for the purposes described on the label. The customer agrees that it will make no representation whatsoever or give any warranty to any subsequent customer of the goods that the goods maybe used for any purpose other than that stated on the label.

10.2 To the fullest extent permitted by law, liability for breach of any condition or warranty implied by any consumer legislation is limited to any one of the following as determined by Godfrey Hirst:

(a) the replacement of the goods or the supply of equivalent goods, or

(b) the repair or reasonable cost of the goods , or

(c) the payment of up to the value of the goods or of replacing or repairing or restoring the goods or of acquiring the equivalent goods

Godfrey Hirst will not, unless otherwise required by consumer legislation, be liable or otherwise responsible for the cost of furniture and fittings removal.

10.3 Subject to clause 10.1, the customer acknowledges and agrees with Godfrey Hirst that:

(a) the customer is satisfied the goods are fit for the purpose for which they were purchased; and

(b) any implied warranty or condition, whether statutory or otherwise, and whether as to quality, capability, condition or fitness for any particular purpose is expressly excluded from the terms to the fullest extent permitted by law.

10.4 The customer agrees and acknowledges that Godfrey Hirst, to the full extent permitted by law, accepts no liability or responsibility for any loss of profit, loss of revenue, loss of production, business interruption loss, loss or data or special, incidental or consequential damages or expenses of any kind, whether resulting from Godfrey Hirst's wilful negligence or not and even if Godfrey Hirst has been advised of the possibility of such actual or potential loss or damage and forever releases and discharges Godfrey Hirst from all such responsibilities and liabilities and any claims, demands or causes of action in respect thereof.

10.5 The customer will, to the full extent permitted by law, indemnify and keep indemnified Godfrey Hirst, its officers, employees or agents against:

(a) all actions, proceedings, claims or demands for loss or damage of whatsoever nature made or threatened against Godfrey Hirst by any third party or by any of the customer's employees, agents or contractors arising directly or indirectly out of or in respect of the use, custody or purchase and supply or otherwise incidental to such purchase or supply of the goods

(b) any and all claims, loss or expense that may be incurred by Godfrey Hirst, its officers, employees or agents which relate to or are incidental to the performance of its duties as described in these terms including all costs of defending itself against a claim by any other person and/or as a result of the customer taking any action or refraining from taking any action or instituting or defending any action or legal proceeding; and

(c) any claim made by any third party due to or arising out of the purchase or supply of the goods, the customer's violation of these terms, or the customer's infringement of any intellectual property or other right of any person or entity

Provided Further the customer acknowledges and agrees payments by the customer will be applied by Godfrey Hirst first in payment of any costs or other moneys due under this clause 10.5, then in payment of any interest due under clause 7.3, then allocation payments against any invoice that is outstanding or to allocate any payment between several outstanding invoices as Godfrey Hirst shall see fit.

11. FORCE MAJEURE

11.1 To the fullest extent permissible at law, Godfrey Hirst will not accept any liability whatsoever in respect to delay or damage to goods by reason wholly or in part of industrial dispute, shortages of materials or labour, shipping delays, accident (whether occasioned by the negligence of Godfrey Hirst or its servants or agents or otherwise howsoever), war, riot, act of terrorism, fire, explosion, any Act of God or any other cause whatsoever beyond the reasonable control of Godfrey Hirst or which by the exercise of reasonable diligence it is unable to prevent. In any such case, Godfrey Hirst shall be entitled to suspend either totally or in part delivery of the goods , and the operation of this agreement, so far as necessary, shall be suspended without liability for damage against Godfrey Hirst.

12. GENERAL

12.1 Clerical and typographical errors in computation, typing or otherwise in the documents of Godfrey Hirst including catalogues, advertising material, publications, price lists, drawings, delivery dockets, invoices, statement or credit notes shall be subject to correction by Godfrey Hirst by means of re-issue or adjusting of the relevant document and save for any error of a substantial nature shall not entitle the customer to cancel this agreement or seek or obtain a reduction or variation in the purchase price of the goods .

12.2 It is agreed that Godfrey Hirst may assign or transfer any part of this agreement to any other person or corporation and Godfrey Hirst may subcontract the manufacture and/or supply for any part of the goods or any material services to be supplied.

12.3 A certificate signed by Godfrey Hirst's credit manager shall be conclusive evidence of any debt owing by the customer to Godfrey Hirst as set out in that certificate.

12.4 No failure by Godfrey Hirst to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, remedy, power or privilege under this agreement shall operate as a waiver and shall not in any way preclude any further exercise or enforcement of this agreement or the exercise or enforcement of any other right, remedy, power or privilege under this agreement or provided by law.

12.5 It is agreed that the contract for the supply of the goods under this agreement is formed at the registered office of Godfrey Hirst, and this agreement shall be governed by and construed in accordance with the laws of the State of Victoria, and the laws of the Commonwealth of Australia which are in force in Victoria. The customer hereby submits to the non-exclusive jurisdiction of the courts of Victoria and the relevant federal courts and courts competent to hear appeals from those courts.

12.6 If any provision of this agreement is not enforceable in accordance with its terms, other provisions which are self-sustaining are, and will continue to be, enforceable in accordance with their terms. If any part of this agreement is invalid or unenforceable, that part is deleted and the remainder of the agreement remains effective

12.7 Godfrey Hirst is committed to the privacy of all individuals with whom it deals. Godfrey Hirst is bound by the Privacy Act 1988 and has chosen to comply with the National Privacy Principles. Full information in respect to Godfrey Hirst's policies on handling personal information of its customers, being individuals is set out on its web page www.godfreyhirst.com, or can be obtained by contacting our head office on (03) 5225 0222.

12.8 Where the customer is a trustee of a trust (whether disclosed to Godfrey Hirst of not) the customer warrants to Godfrey Hirst: The customer enters into this agreement both in its capacity as trustee and in its personal capacity and the customer has the right to be indemnified out of trust assets.

13. MERCHANDISE/CLAIMS PROCEDURE

Unless otherwise inconsistent with the terms, the customer agrees, should it be alleged by the customer that the goods are defective or fail for any reason to be in accordance with this agreement or if there are any complaints raised by any person concerning the goods , to follow and comply with the merchandise/claim procedures adopted from time to time by Godfrey Hirst (which procedures it is specifically agreed that Godfrey Hirst may change from time to time without notice to the customer) and otherwise as follows:

13.1 Inspection

(a) The customer agrees to thoroughly inspect the goods within five working days of delivery and provide notice of any claim or intention to make a claim as provided in clause 13.2.

(b) If the customer fails to give such notice of claim then to the extent permitted by law the goods shall be deemed to have been delivered to the customer in accordance with the agreement and the customer waives any rights which the customer may have but for the existence of this clause would have had against Godfrey Hirst in relation to the goods.

13.2 Claims

(a) Except where any claim is made by the customer under any consumer legislation and the time period in which claims can be made cannot be excluded (in which case the limitation under those acts shall apply), the customer will forward all claims in writing together with full particulars thereof in respect of any matter arising out of this agreement to Godfrey Hirst either at its head office or the state office of the state from which the goods were purchased within the following periods:

(i) in respect of a claim that the price invoiced was incorrect – within 7 days of the date of issue of invoice

(ii) in respect of any claim goods are lost, damaged prior to the risk in the goods passing to the customer, short delivery, delivery of the wrong goods or that the length of rolls are not in accordance with the order made by the customer and accepted by Godfrey Hirst - prior to any material being cut from the rolls and in any event within 30 days from the date of the invoice; or

(iii) otherwise, within 30 days from the date of invoice.

and if not so notified, other than as provided to the contrary by law, the customer forever releases and discharges Godfrey Hirst from all actions, suits, charges, claims demands or any liability whatsoever in any way arising out of or in connection with the goods .

(b) In the case of any claim, Godfrey Hirst representatives and/or agents are to be granted full access to any site where goods subject to the claim maybe laid and/or, if required, be provided with the goods and/or materials subject to the claim, equipment or installation technique for consideration and review.

(c) Subject to any obligations or rights under consumer legislation, the customer acknowledges that the customer will not be entitled to make any claim, nor shall Godfrey Hirst be held in anyway responsible in respect to:

(i) goods which have been cut or installed where the defect was visible prior to cutting or installation (as the case may be), including without limitation, defects in colour, pattern, dyelot, quality or length

(ii) any damage resulting from improper installation or cleaning or application of any chemicals or unfair abuse or snagging (ie severance of loops by sharp edges, animal claws, etc)

(iii) shrinkage, bubbling or rucking of any goods which have not been power stretched during installation and secured firmly to the floor or any carpet installed in an area subject to excessive moisture (ie bathrooms, kitchens and toilets)

(iv) goods which were manufactured in accordance with any sample which had previously been used for decoration or displays, as in that case, a colour match cannot be guaranteed

(v) missing tufts (other than on the basis of reinserting such missing tufts)

(vi) bowing/skewing, pile crushing, shading and watermarking, fading, tracking, matting and flattening and pattern irregularities or pattern matching problems as exempted from warranty or otherwise acknowledged as acceptable by the customer under clause 4.2 (c) - (e)

(vii) products exempted from warranty under clause 4.2(g)

(viii) claim concerning goods , where Godfrey Hirst representative/s and/or agent/s are refused access to any site to inspect the goods subject to the claim and/or are refused access to the goods and/or materials, equipment or installation technique for review

(d) In the case of replacement of goods more than 12 months old, a usage factor of 20% per annum will be deducted.

13.3 Processing of Claims

Where a third party has purchased the goods from the customer and complains to the customer, Godfrey Hirst or the Australian Competition and Consumer Commission or any other any government or consumer protection agency, authority or department, media or any other similar organisation, the customer shall:

(a) within 7 days inform Godfrey Hirst in writing of such complaint;

(b) use its best endeavours to inspect the goods and provide to Godfrey Hirst a report (containing such details as Godfrey Hirst reasonably requires) as to the state and condition of the goods , whether the complaint is in the opinion of the customer justified and the reasons for the conclusion reached by the customer.