

## Terms and Conditions of Sale

These terms and conditions apply to all sales of timber and or building products and related accessories, within New Zealand, by ITI TIMSPEC LIMITED (“ITI Timspec”). An individual, company or other entity who submits an order to ITI Timspec (“customer”) agrees to transact on these terms.

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### 1. TRADING TERMS

1.1 These terms operate to the exclusion of all other terms and conditions (including any purchasing terms issued or offered by the customer). No other terms will apply unless they are agreed in writing signed by both parties.

1.2 ITI Timspec may at any time change these terms and conditions by publishing new terms and conditions. The new terms will apply to all orders submitted after the date of publication but will not affect orders previously submitted.

1.3 Where a customer has a credit account with ITI Timspec, ITI Timspec’s credit conditions will also apply in addition to these terms. In the case of orders for non-standard products, additional conditions may also apply if notified to the customer at the time of placing the order.

1.4 Where any credit conditions, non-standard order conditions or other conditions agreed to in writing are inconsistent with these terms, then those specific conditions will prevail to the extent of any inconsistency.

### 2. ORDERS

2.1 ITI Timspec may accept or refuse any order for products in its absolute discretion and may make its acceptance of an order conditional upon payment on delivery or a satisfactory credit assessment of the customer.

2.2 Products will be sold in standard sizes, weights and selling units as published by ITI Timspec from time to time. Where the customer requires a non-standard order: (a) the customer must make a specific arrangement with its ITI Timspec sales representative; and (b) the customer must comply with any additional conditions advised (including payment of any deposit required by ITI Timspec).

### 3. PRICE

3.1 Unless otherwise agreed in writing, all prices and charges are subject to alteration without notice. Orders are accepted by ITI Timspec subject to the condition that the customer agrees to pay the prices set out in ITI Timspec’s published price list current at the time the order is placed.

### 4. SUPPLY

4.1 Every effort will be made to fulfil accepted orders placed with ITI Timspec, but if ITI Timspec’s ability to do so is affected (directly or indirectly and whether by circumstance already existing or otherwise) by strikes, lockouts, rises in freight costs, duties or other charges, acts of God, pandemics, public health emergencies or any cause whatsoever beyond the reasonable control of ITI Timspec, it shall have the right: (a) to elect to extend the time for fulfilment of the order or compliance with any delivery or completion date; (b) to alter the specifications for the products so as to allow the

substitution of equivalent products; or (c) to terminate the order without liability, whether for breach of contract or otherwise.

4.2 In any event ITI Timspec will be entitled to full payment for all products which have been delivered. ITI Timspec will not be liable for any loss, including loss of profits and other consequential loss, arising from any delay in its performance of the contract or the alteration or termination of any order.

## 5. DELIVERY AND INSURANCE

5.1 Products in transit are not insured by ITI Timspec unless a specific agreement to do so is made in writing. Charges for agreed insurance will be payable by the customer.

5.2 Where the customer's carrier is to collect products from ITI Timspec's premises, if the products are not collected within 14 days after ITI Timspec notifies the customer of their availability, ITI Timspec may cancel the order and may charge the customer a handling charge equal to 10% of the total order price.

5.3 Where products are consigned by rail or ship or taken by transport organised by the customer from ITI Timspec's premises, risk of damage to, or loss or deterioration of, any such products passes to the customer on delivery to the rail, ship or customer's carrier and obligations are complete at that stage. Any claim for loss or damage in transit should be made direct to the railway or shipping authority or the carrier concerned.

5.4 Where products are delivered by a carrier organised by ITI Timspec, delivery is deemed to occur when the products are delivered to a destination agreed to by ITI Timspec and the customer, and risk of damage to, or loss or deterioration of, any such products passes to the customer at that time.

5.5 All claims for credit for damaged or missing products, incorrect products and overcharges must be made in writing within seven days of date of delivery and must quote the date and invoice number on which the relevant products were purchased.

5.6 Where prices in ITI Timspec's price list include delivery this shall mean delivery to a destination within the boundaries nominated by ITI Timspec and does not include any charges incurred at rail-head or wharf.

5.7 If the customer requests, products will be packaged and crated, and the costs incurred in packaging and crating will be payable by the customer. No credit will be given or other allowance will be made for return of crates or materials from which crates are manufactured.

## 6. TITLE TO PRODUCTS AND DEFAULT

6.1 Risk of damage to, or loss or deterioration of, any products supplied will pass to the customer in accordance with clause 5, but title to the products will not pass to the customer (and will remain with ITI Timspec) until all products supplied have been paid for in full. Until then: (a) the customer will hold the products supplied as bailee of ITI Timspec; (b) the customer may sell the products supplied in the ordinary course of its business as agent for ITI Timspec and will account to ITI Timspec for any sale proceeds; and (c) ITI Timspec may require the customer to return the products

supplied on demand and may go onto any land or premises where the products are situated and repossess the products.

6.2 Notwithstanding clause 6.1, the customer: (a) acknowledges that these terms create a security interest in favour of ITI Timspec in products supplied to the customer by ITI Timspec which may be registrable under the Personal Properties Securities Act (“PPSA”); (b) undertakes to take all steps reasonably required by ITI Timspec to enable ITI Timspec to perfect its interest in such products as a first priority security interest under the PPSA; and (c) waives any rights it may have to receive a copy of any verification statement or other confirmation in relation to these interests created by these terms.

6.3 The customer agrees that, at any time after it fails to make payment to ITI Timspec when due in respect of an invoice for products supplied or is otherwise in default under these terms, and that non-payment or default is continuing or at any time if any products supplied to the customer are at risk (as defined in the PPSA), ITI Timspec may: (a) take possession of any products; and/or (b) sell or otherwise dispose of any products, in each case in such manner and generally on such terms and conditions as it thinks fit and, in each case, otherwise do anything the customer could do in relation to those products. ITI Timspec and the customer agrees that section 109(1) of the PPSA is contracted out of in respect of particular products if, and only for so long as, ITI Timspec is not the secured party with priority over all other secured parties in respect of those products. As the customer’s agent, ITI Timspec (and its employees and agents) may, without prior notice, enter any land or premises where the products are kept in order to take possession of and/or remove them, without being responsible for any damage reasonably caused in doing so. The customer agrees to procure all other rights (including consents) necessary to enable, and to indemnify ITI Timspec (and its employees and agents) against any liability incurred in connection with, such entry, taking of possession and removal. ITI Timspec may resell any of the products and apply the proceeds of sale in reduction of the amount owing.

6.4 To the extent permitted by law, the customer and ITI Timspec contract out section 114(1)(a) of the PPSA and the customer contracts out of its rights referred to in sections 107(2)(c), (d), (h) and (i) of the PPSA.

## 7. PAYMENT

7.1 Payments are to be net and no settlement discount or set-off will be allowed. Where a customer has a credit account with ITI Timspec, payment is required by not later than the 20th day of the month following the date of invoice (or such other time agreed to in writing by ITI Timspec). Where the customer does not have a credit account, payment must be made in cash (or cleared funds) prior to despatch of the products.

7.2 If the customer fails to make payment in respect of an invoice when due, ITI Timspec will be entitled (without prejudice to any other right or remedy it may have) to: (a) cancel or suspend any existing orders or delivery, or refuse to accept any new orders; (b) charge the customer interest on the overdue amount at a rate of 11%pa from the date the amount became overdue, calculated daily and compounded monthly; and (c) enforce the security interest created in clause 6.2.

7.3 All payments by the customer must refer to the specific invoice, statement or liability for which the payment is being made. Otherwise ITI Timspec may allocate the payment towards discharging the customer’s debts that have been outstanding for the longest period.

## 8. GOODS AND SERVICES TAX

8.1 The customer must pay ITI Timspec a total price which includes the goods and services tax paid or payable by ITI Timspec in respect of products and services supplied by ITI Timspec to the customer. The amount payable by the customer will be stated in an invoice to the customer.

## 9. RETURNS

9.1 ITI Timspec will accept any item of product for return and credit if and only if:

(a) it is in its original condition of sale, and has not been changed in any way. The customer acknowledges that ITI Timspec will seek to resell any product returned, and therefore any product which is changed or damaged may not be capable of being resold;

(b) the item is a standard stocked product line. Non-standard lines (e.g., custom profiles, non-stock, non-standard products, and band sawn product) are not returnable;

(c) the returned items should fairly represent the grade and/or lengths and/or widths of the product supplied. The customer agrees that it is not able to cherry pick through an order of product and seek to return, for example, short items or items which are only at the bottom end of the grade of product supplied;

(d) where the product order consists of items of random length, the items returned must be at least as long as the average lengths supplied;

(e) if the stated reason for return of the item of product is that it is damaged, the customer must, before ITI Timspec is obliged to accept the item returned, provide a copy of the consignment note endorsed as being received "received damaged" or similar. In this regard the customer is recommended to provide additional photographic evidence of the damage at the time of delivery;

(f) the product is returned, or the customer notifies ITI Timspec that the product will be returned, no more than 14 days after the date of collection or receipt by or delivery to the customer.

9.2 Before any product is returned the customer must contact ITI Timspec to confirm that the items are to be returned and with a view to confirming that the return of the items complies with clause 9.1. Items returned shall be returned at such times as are mutually agreed and should be despatched to the correct ITI Timspec branch as directed by ITI Timspec. Under no circumstances should the customer take product to ITI Timspec for return without ITI Timspec having agreed that the return is acceptable and the time and place of return of the product.

9.3 All charges for product returned, including handling, freight and insurance costs, shall be for the account of the customer in every way, but if the reason for the return is that the product is defective or does not meet the agreed specifications then ITI Timspec shall pay all third party costs involved in returning the product to ITI Timspec provided that those costs have been agreed in advance. The customer is responsible for protecting all product which is to be returned from damage from water or other elements, and customers are well advised to take photographs of all product prior to its return to establish proof of its condition prior to it being freighted or delivered back to ITI Timspec.

9.5 The customer acknowledges that many of ITI Timspec's product lines (especially Accoya and Western Red Cedar) are fragile products which are easily damaged by poor handling or exposure to water or other elements. ITI Timspec makes every effort to ensure that such product leaves its

premises in good condition and is transported safely. It is important also that the customer takes similar care for such product at all times while it is held by it or otherwise under its control.

#### 10. WARRANTY

10.1 The relevant warranty provided by ITI Timspec for its products, and the conditions that apply to that warranty, are set out either in ITI Timspec's current technical literature for each product or on ITI Timspec's website ([www.ititimspec.co.nz](http://www.ititimspec.co.nz)). The warranties and their conditions are deemed to form part of these terms.

#### 11. CONSUMER GUARANTEES ACT

11.1 Where the customer acquires products for business purposes, the Consumer Guarantees Act 1993 will not apply. If a sale of product is also governed by the Consumer Guarantees Act, then the provisions of the Act shall apply to the extent of any inconsistency with these terms.

11.2 Where the customer on-sells the products: (a) the customer will not give any express warranties or guarantees on ITI Timspec's behalf, except with ITI Timspec's express written approval; (b) the customer will correctly advise its customers of the purposes for which the products are suited; (c) the customer will not sell products for use in any purpose for which they are not suited; and (d) the customer will ensure that any literature which it may supply in relation to the products complies with the Consumer Guarantees Act.