NOTE: Deletions marked and new changes in red.

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| **amazonlogo                    Supplier Issue Log** | | | |
| **Priority** | **Section  Number** | **Proposed Change** | **Reason for Change** |
| **1** | New | Add new section immediately following section 10, as follows:  “11. Limitations and Exclusions”  “11.1 The maximum aggregate liability of the Supplier to Amazon in connection with this Agreement however arising is limited to the total fees payable under this Agreement.”  “11.2 The liability of a party for any loss incurred by the other party is reduced to the extent the loss is caused or contributed to by the other party or any of their respective directors, officers, employees, agents, customers (which for the avoidance of doubt, does not include the relevant other party to this Agreement), affiliates and distributors.” | **Cap on liability and Proportionate Reduction**  It is important for Stulz to have an appropriate cap on liability under the Agreement, as well as a proportionate reduction of liability where loss is caused or contributed to by Amazon. We consider this is an equitable position while the cap provides certainty around exposure to liability for Stulz’ business. |
| **2** | 4.6 | All ~~rights, title, interests, and all~~ risks of loss and damage to any Product will pass to the applicable Purchaser upon such Purchaser’s acceptance of such Product at the location of delivery specified in the Purchase Order. Subject to clause 4.8, title will pass on payment of all invoices in full. ***[NOTE: See required PPS clause in the Schedule below.]*** | **Title and PPS**  It is standard practice for a Supplier to retain title and claim a Purchase Money Security Interest (PMSI) until it is paid all purchase moneys. Australian law further requires a comprehensive PPS clause in order to protect a Supplier’s title and priority claim over goods in the event of non-payment. See our required PPS clause in the Schedule below. |
| **3** | 5.1  4.7 | Delete in full or, in the alternative, amend as follows:  “Purchaser may only cancel or re-schedule all or any part of a Purchase Order for any Product, without cancellation or other charges, if it cancels or re-schedules at least 4 weeks prior to the Delivery Date ~~before it accepts the Product units delivered under that Purchase Order~~.”  Amend as follows:  “~~Notwithstanding any other terms of this Agreement,~~ Amazon must not unreasonably withhold or delay acceptance under this clause 4.7 and relevant laws in the jurisdiction in which Products are supplied shall apply. ~~shall have no obligation to pay any amounts for Products not accepted under this Section 4.7~~ | **Cancellations and Non-Acceptance**  We understood that there will be a testing and acceptance process prior to commencement of manufacture and delivery - please confirm.    Amazon should only be allowed to cancel Purchase Orders with sufficient notice before delivery. Otherwise Stulz will incur unreasonable costs and surplus Product /materials and cancellation charges should apply.  Similarly, there must be some basis for Amazon to accept or reject Products, otherwise Amazon could get around the Cancellation clause by just not accepting the Products under clause 4.7. |

**SCHEDULE - PPSA CLAUSE**

**4.8 Security Interest.** This clause 4.8 sets out the Security Agreement between Amazon (as grantor and for the avoidance of doubt, jointly and severally each of the Amazon entities so defined) and Supplier (as secured party) (**Security Agreement**). Amazon further agrees to procure the grant to Supplier of the Security Interest on terms set out in this clause 4.8 from each of its Affiliates and other persons to whom Products are supplied by Supplier pursuant to the terms of this Agreement and shall on request deliver to Supplier a copy of that Security Interest.

4.8.1 *Creation of Security Interest:* Amazon grants to Supplier a security interest (**Security Interest**) in the Products supplied by Supplier to Amazon, including all related proceeds (**Collateral**), as security for all or part of the payment of any amount relating to the Products in accordance with this Agreement or otherwise. For the avoidance of doubt, this Security Interest is also a Purchase Money Security Interest in the Collateral.

4.8.2 *Ranking:* Subject to the priority rules set out in the PPSA, this Security Interest ranks in priority ahead of all other security interests in the Collateral.

4.8.3 *Perfection:* Amazon irrevocably gives Supplier authority to register a financing statement for the Security Interest on the PPSR. This clause does not prevent Supplier from perfecting this Security Interest by any other means in accordance with the PPSA.

4.8.4 *Information:* Amazon must provide Supplier with any information required for Supplier to register a financing statement or a financing change statement for this Security Interest on the PPSR.

4.8.5 *Identification:* Until this Security Interest has been extinguished, Amazon must ensure that, as far as is reasonably practicable:

a) any identifying plate, mark or packaging number on any of the Collateral (including Products) is not removed, defaced or obliterated; and

b) the Collateral is identifiable and distinguishable from any other goods or products in Amazon’s possession and as to each particular invoice of Products comprising the Collateral.

4.8.6 *Accessions:* Amazon acknowledges that this Security Interest continues to apply to Collateral that becomes an accession to other goods.

4.8.7 *Remedies:* Until this Security Interest in the Collateral has been extinguished, if:

a) Amazon experiences a Default Event; or

b) Amazon breaches this Agreement,

Supplier may as it sees fit and without notice to Amazon, seize, retain or redeem the Collateral, or seek any and all remedies provided under Chapter 4 of the PPSA or any other remedies provided at law or in equity, including those set out in clause 4.8.8.

4.8.8 *Right of entry:* In additional to any rights given to Supplier under Chapter 4 of the PPSA, Amazon irrevocably:

a) grants Supplier the right to:

(i) demand the immediate return of the Products to Supplier;

(ii) enter Amazon’s premises to search for and seize the Products without notice or liability to Amazon; and

(iii) retain, sell or otherwise dispose of those Products in any manner we see fit; and

b) indemnifies and keeps Supplier indemnified against any claim (including in negligence) in respect of any damage to Amazon’s property or the premises Amazon occupied or any consequential loss caused by another party arising relating to searching for and seizing any Products in accordance with this clause 4.8.8.

4.8.9 *Permitted use and sale:* Amazon may only sell or deal with any of the Collateral (including accessions) in respect of which full payment has not been received if Amazon obtains Supplier’s consent.

4.8.10 *Costs:* Amazon must pay all costs incurred by Supplier (including costs on a solicitor-client basis and debt collector’s costs) arising out of this Security Agreement, including costs in relation to:

a) seizure, retention, redemption or any other remedy exercised pursuant to this Security Agreement; and

b) the enforcement of Supplier’s rights under this Security Agreement (including matters incidental to it).

4.8.11 *Extinguishment:* The Security Interest is extinguished only if all obligations under this Security Agreement have been satisfied.

4.8.12 *Waiver:* Sections 95, 118, 121(4), 125, 130, 132 and 135 of the PPSA shall not apply to the extent that they impose obligations on Supplier.

4.8.13 *Waiver of receipt of statements:* Amazon irrevocably waives its right to receive from Supplier a copy of any financing statement, financing change statement or verification statement that is registered, issued or received at any time in relation to this Security Agreement.

4.8.14 *Disclosure:* The parties agree that neither party may disclose information that:

a) can be requested under section 275(1) of the PPSA (subject to any exceptions that may apply under section 275(7) of the PPSA); or

b) is protected against disclosure by a duty of confidence.

4.8.15 *Acknowledgement:* Amazon acknowledge due notice of this Security Agreement by signing this Agreement.

**Additional Definitions**

“Default Event” means any one of the following events:

(a) Amazon fails to make any payment when due, whether for the Products and Services or otherwise;

(b) if you are a body corporate – you become an *externally administered body corporate*;

(c) proceedings or applications are commenced or made for the appointment of any persons listed in item (b) above;

(d) a mortgagee or their agent enters into possession of your assets;

(e) you cease or threaten to cease carrying on business; or

(f) you experience a change in control or a material change in financial position which in our reasonable opinion adversely affects your ability to meet your obligations under this Agreement.

“PPSA” means the *Personal Property Securities Act 2009* (Cth) as amended, including any regulations made pursuant to it.

“PPSR” means the Personal Property Securities Register.