

CONTRACT – AUTHORISATION FOR THE MANIPULATION OF JC VALVES COVERED BY EC REGULATIONS

FORM I.1 – CONTRACT - AUTHORISATION

AUTHORISATION Nº JC-07-001

This contract, dated 28.07.2013, is drawn up between JC Fabrica de Valvulas S.A. (henceforth JC), with company seat at C/ Cantabria 2, Pol. Ind. Les Salines, 08830 Sant Boi de Llobregat (Barcelona) Spain, and the customer thereof (henceforth the Customer)

GLOBAL SUPPLY LINE PTY LTD
with registered seat at 69-71 Barndioota Road Salisbury Plain
South Australia, Australia

Whereas JC is the owner of all of the rights to JC trademark valves.

Whereas the Customer wishes to have a non-exclusive authorisation by JC, for the manipulation and modification of JC valves, within the limits stated in this present contract.

Both of the parties hereto agree, as follows:

- 1.- That by means of this present contract JC grants to the Customer a non-exclusive authorisation to manipulate and modify JC ball valves on the Customer's own premises, subject to the following limitations:
 - 1.1.- That the modifications for which the Customer has authorisation will not introduce any changes to the parts that constitute the pressure barrier of the valve, its capacity, the design work and safety conditions must remain essentially the same. These modifications are not covered by PED and are not considered important in Guideline 1 / 4).
 - 1.2.- These modifications will be limited to:
 - Replacement of interior parts in order to change the materials of the seats, seals and packings. The new parts incorporated must be JC original parts.
 - Incorporation of accessories (EC marked and certified by the respective manufacturers) such as pneumatic or electrical actuators, position indicators, stem extensions. etc.
 - Changes to the EC nameplates, edited by JC.
 - Others as listed below, according to plans approved by JC:
 - Changing end connections
 - Machining end connections to Buttweld, RF, RTJ, Graylok
 - 1.3.- Once such modifications have been made, having complied with points 2.2.1 to 2.2.5, if applicable, JC will issue and forward to the distributor, a revision of the original EC Certificate, introducing the changes that have been made, along with a new EC nameplate.
- 2.- The Customer undertakes to:
 - 2.1.- Strictly acknowledge and accept the conditions contained in the document "Annex I. Overall Conditions".
 - 2.2.- To comply with the following requirements:
 - 2.2.1.- To dispose, on his premises, of an ISO 9001 Quality System, or equivalent, certified and

in force.

- Attached Certificate No. MEL6014010 (SEE ATTACHED)

changed valve test

- Description of test bench YFJ-B300 bench

2.2.2.- To dispose of sufficient means to repeat, after the modifications have been made, the manufacturing tests carried out at JC

2.2.3.- To follow the practice of the JC procedural tests, no. IT 4.10.03.2, latest revision.

2.2.4.- To fill in, for each modified valve, a register entry signed by the Head of Quality, indicating: Valve Identification No., the changes made and the tests carried out.

2.2.5.- To send a copy of this register entry to JC, who will then file it with the Quality Control Department, to be audited by the Notified Body.

2.2.6.- To go ahead with the sending of the valve and its new EC documents to the final user.

Accepted by the Customer

Date 28/02/2013

Customer (Company Name) Global Supply Line Pty Ltd

Authorised signature [Signature]

Signatory's job Managing Director

Accepted by JC Fábrica de Válvulas S.A.

Date 28/02/2013

Authorised signature [Signature]

Signatory's job DIRECTOR

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ANNEX I: OVERALL CONDITIONS

1.- OBJECT

To establish the framework for a mutual agreement, between JC FABRICA DE VALVULAS, S.A. (henceforth JC) and their customers, which will regulate modifications made by the latter in EC marked valves, without such resulting in the loss of the JC guarantee.

2.- GENERAL REMARKS

- 2.1.- This contract describes the process to be followed for the concession of the authorisation.
- 2.2.- The Customer that meets all JC requirements will receive a "Contract-Authorisation".
- 2.3.- In order to maintain the authorisation in force, the Customer will have to comply with the established conditions.

3.- APPLICATION AND AUTHORISATION

- 3.1.- The Customer must ask the Head of Quality Management for a copy of Form I.1 "Contract-Authorisation" and Annex I "Overall Conditions".
- 3.2.- Interested customers must send two original copies of Form I.1 and must demonstrate compliance with the requirements demanded in point 2.2. thereof, sending an attached copy of the certificates, testing facility photographs, copies of the register entries, etc. to the JC Quality Management Department.
- 3.2.- Once JC have this information in their power they will decide whether the Customer complies with the necessary conditions for authorisation to be conceded, will request that more information be provided, or will reject authorisation due to the Customer's lack of means.
- 3.3.- If the result of the evaluation is affirmative then JC will return the original copy of Form I.1 "Contract-Authorisation", having signed it.

4.- CERTIFICATION AND USE OF EC NAMEPLATES

- 4.1.- The Customer is bound to continue to use the certificates issued by JC, and in no way may he issue or draw up certificates on behalf of JC.
- 4.2.- The Customer may only attach the nameplates edited by JC with regard to the manipulated valves.

5.- KEEPING UP THE AUTHORISATION

- 5.1.- This authorisation is valid for 3 years. Keeping up the authorisation is subject to the continuous maintenance of conformity with the contract-authorisation conditions, agreed to in Form I.1 and Annex I.
- 5.2.- Whenever JC deems it necessary they may carry out an audit, of the Customer's facilities, for the upkeep of the authorisation.
- 5.3.- Once 3 years have elapsed since the concession of the authorisation the contract will automatically be terminated, without the need for notification thereof by JC, nor the obligation to conceded a further term.

The termination of the contract will lead to the automatic termination of the authorisation conceded under cover thereof.

- 5.4.- In order to continue to carry out the activities that are the object of the present contract the Customer will have to obtain a new authorisation, following the procedure established above, including any such modifications thereto as JC may decide to introduce.

JC reserves the right to modify conditions for the concession of any further authorisation.

The Customer may begin the procedure for obtaining a new authorisation six months in advance of the date of the termination established for the existing concession.

The Customer does not have a subjective right to obtain a new authorisation, even should he comply with all of the requirements demanded by JC, insofar as any concession thereof is discretionary on the part of JC, circumstance which the Customer states that he has fully taken into account, evaluating the financial, and all other, consequences thereof, and hereby undertakes to withhold from demanding whatsoever liability or indemnity should the authorisation not be renewed.

- 5.5.- Should it be the case that, during the effective period of the authorisation, important changes are made in terms of the Customer's quality system, JC must be informed thereof as soon as possible, in order for them to carry out an audit, to confirm whether or not such changes enter into conflict with the clauses of the signed contract.

6.- SUSPENSION AND WITHDRAWAL OF AUTHORISATION.

- 6.1.- JC reserves the right to suspend the effectivity of the authorisation and to definitively cancel it, terminating the contract at any time within the ___-year term, under the following circumstances:

- A) Suspension: Any temporary circumstance that prevents the Customer from complying with the conditions established in the contract or in the authorisation for the manipulation of the valves will be grounds for suspension of the authorisation. Suspension will be maintained until such time as the Customer can once again comply with the established conditions.
- B) Cancellation: Whatever the cause may be, with regard to definitive cancellation, JC will suspend the effectivity of the authorisation for a term of 3 months.

The following are grounds for cancellation:

- a) The failure of the Customer to comply with the valve manipulation conditions, as established in the contract-authorisation, along with any other regulations and procedures that JC may draw up in the future.
- b) The undue use by the Customer of nameplates.
- c) The making, by the Customer, of modifications to the valves that have not been considered in the present authorisation contract.
- d) That the result of such manipulation by the Customer falls below JC quality standards, placing the prestige of the latter at risk.

- 6.2.- The contract may also be rescinded before the finalisation of the term at the request of the Customer, with no further requirement than the expedient notification to JC one month in advance thereof.

7.- LIABILITIES.

- 7.1.- The Customer, completely exempting JC, assumes full liability for any damages or prejudicial consequences that may be caused to third parties, whether to installations or processes, or injuries to persons, resulting from the malfunctioning of the valves, due to error or omission committed during the manipulation thereof by the Customer, or due to service conditions that are other than those recommended in the JC Assembly and Maintenance Manual.

Likewise, the Customer must assume liability for all manner of damages and prejudicial consequences that could be caused to JC through any misuse of the authorisation.

- 7.2.- The JC guarantee will no longer be effective should the valve have been incorrectly manipulated or installed, other than under the terms of the contract or in accordance with the applicable Assembly Manual.

8.- JURISDICTION

- 8.1.- This present contract is established within the framework of Spanish legislation.
- 8.2.- Any disputes that may arise from the authorisation conceded to the Customer, or such as may occur as a consequence of the interpretation of this contract, will be submitted to the courts of Barcelona, with the express waiving of whatsoever jurisdiction may correspond to the Customer.