

GENERAL CONDITIONS OF PURCHASE

(12/01)

1. DEFINITIONS

The following words shall unless the context otherwise requires have the following meanings:

“Goods includes all goods, chattels, plant, equipment, machinery, stores and the like the subject of this Purchase Order.

“Company” means the Company named on the face of this Purchase Order as the Company on behalf of which this Purchase Order is placed.

“This Purchase Order” has the meaning ascribed to it in Condition 2.

“Supplier” means the person, firm or corporation to which this Purchase Order is addressed.

“Contractor”, any reference in this Purchase Order to “Contractor” shall be deemed as a reference to the Supplier.

“Engineer” means the person for the time being appointed in writing by the Company to act for and on behalf of the Company and as directed by the Company in the administration of the Contract or other such person from time to time substituted therefore in writing by the Company.

2. CONTRACT

This form, when properly signed and bearing an order number, is the only form which will be recognised by Company as authority for charging merchandise and services to its account and supersedes all previous communications and negotiations. This form, together with all documents attached hereto or incorporated herein by reference (all of which are included in the expression “this Purchase Order”), constitute the entire terms of the Contract for the supply of the Goods. No terms stated by Supplier in accepting or acknowledging this order shall be binding upon the Company unless accepted in writing by the Company. The Supplier may not assign this order without the Company’s prior written consent. No waiver of a breach for any provision of this order shall constitute a waiver of any other breach of such provision or of any provision. This order is capable of acceptance either by signing a duplicate of this order and returning same to the Company or alternatively by delivery of the goods ordered.

3. QUANTITY

The quantity of Goods delivered shall not be greater than the amount specified unless the additional amount is first ordered by the Company in writing on a “Purchase Order Change” form. The Company may return excess quantities to Supplier at Supplier’s expense and risk.

4. INSPECTION IN PROGRESS

Supplier agrees that the Company, and any designated agent of the Company shall have the right of inspection of all Goods supplied and work performed pursuant to this Purchase Order while in any stage of engineering, manufacture or installation. The Supplier shall make this a condition of any subcontracted work. The Company and any designated agent of the Company shall have the power to reject any Goods supplied and work performed or being performed that does not conform to this Purchase Order; whereupon the Goods rejected shall be redone at no additional cost to the Company.

Any such inspection shall not relieve Supplier of any obligation contained in this Purchase Order.

5. INSPECTION ON DELIVERY

All Goods are subject to inspection by the Company and any designated agent of the Company within a reasonable time after arrival at ultimate destination. If upon inspection any Goods are found to be unsatisfactory, defective or of inferior quality or workmanship or fail to meet the specifications or any other requirements of this Purchase Order, the Company may return such Goods to Supplier at Supplier's expense. Upon return of any unsatisfactory or defective Goods, Supplier shall reimburse the Company

for:

(a) Any amounts paid by the Company on account of the purchase price of returned

Goods and

(b) Any cost incurred by the Company in connection with the delivery or return of such Goods.

6. ENGINEERING DATA

The Supplier shall furnish all engineering and other data in accordance with this Purchase Order and within the time stated and without prejudice to any specific requirements set out in this Purchase Order shall supply to the Company all such engineering data, installation instructions, maintenance and operating manuals, spare parts lists and other information as necessary or reasonably required in connection with the installation, operation and maintenance of the Goods, in such time as not to delay the installation, operation or maintenance of the Goods.

7. FIRM PRICE

All prices stated in this Purchase Order are firm and not subject to escalation unless specifically so stated.

8. PAYMENT

Payment will be nett 30 days after the month of delivery unless otherwise specified in this Purchase Order.

9. INVOICES

Invoices must show the order number and the name of the plant or other destination to which the Goods were delivered or shipped. If any Sales Tax, customs duty or other similar tax or charge for which the Company has not furnished or agreed to furnish an exemption certificate is applicable to this order, it must be stated separately on the invoice. Invoices submitted must include all documents required under the laws of the State of Victoria.

10. PACKING AND MARKING

Supplier shall at its own cost properly pack and protect all Goods in accordance with the terms of this Purchase Order and if not otherwise specified in accordance with the best practices having regard to the method of carriage and handling and to the climatic conditions through which the Goods will pass whilst being transported to the site at which they will be utilised. All packages and invoices shall be marked with weight and cubic measurements.

11. TRANSPORTATION

Immediately Supplier dispatches any Goods the subject of this Purchase Order to the Company Supplier shall notify the Company of the time of despatch the number of the order, the kind and amount of Goods dispatched and the route and method by which the Goods will be transported. Supplier shall be liable for any difference in freight charges arising from its failure to follow any transport instructions in this Purchase Order or properly describe the Goods transported. The Company and Supplier shall assist each other in obtaining documents and other information desirable for the prosecution of claims against carriers. Where the purchase involves transport charges to be borne by the Company, the Company will nominate its transport company. If goods are sent by any other carrier the cost difference in fact will be deducted from the Supplier's invoice.

12. CANCELLATION

Without prejudice to Condition 13 the Company may at its option at any time and without cause cancel this Purchase Order in relation to any undelivered Goods. If this Purchase Order relates to any standard stock Goods, the Company shall be under no obligation whatsoever to the Supplier in the event of such cancellation (except in relation to any Goods delivered prior to cancellation, which the company shall pay for). If this Purchase Order relates to any Goods manufactured or fabricated to the Company's specifications or specifications prepared by the Supplier for the Company, upon receipt of notice of cancellation the Supplier shall cease manufacture, supply or work in accordance with and to the extent specified in the notice and shall immediately do everything possible to mitigate any cost incurred by it consequent upon such cancellation.

In relation to such Goods, provided that Supplier is not in default, the Company shall pay to Supplier:

(a) The cost incurred by Supplier in connection with fulfilling this Purchase Order prior to date of cancellation.

(b) Six per cent (6%) of the foregoing cost in lieu of profit, provided however that the total cancellation payment plus previous payments shall not exceed the total price of this order. Upon such payments title to and property in any materials or incomplete Goods shall pass to the Company.

13. TERMINATION FOR DEFAULT

In the event of any breach by Supplier of the terms of this Purchase Order, including any of the warranties herein contained, the Company may at its options, without prejudice to any other rights (including damages) that it may have as a result of such breach, cancel this Purchase Order or any provision hereof, shall be under no obligation to the Supplier whether by way of damages or otherwise.

14. WARRANTY

Supplier warrants that all Goods supplied in accordance with this Purchase Order will conform to description and any applicable specifications and standards, shall be of good merchantable quality and fit for the purpose for which they are supplied.

15. SERVICE WARRANTY

Without prejudice to Condition 14, Supplier warrants that for a period of 12 months from date of commissioning 18 months from date of dispatch by Supplier (whichever is sooner), it will at its cost repair or replace any defective parts in the Goods which become apparent under normal working conditions during such period. The provisions of this condition shall likewise

apply to any part of any Goods which have been repaired or replaced until the expiration of a similar period from the date of repair or replacement.

16. PATENTS, TRADEMARKS AND COPYRIGHTS

Supplier warrants that the sale or use of the Goods will not infringe or contribute to the infringement of any patent, trademark or copyright in the Commonwealth of Australia or any foreign country. Supplier shall indemnify the Company against any loss or damage (including attorney's fees and other costs of defending an action) arising from any breach of this warranty.

17. CONFIDENTIALITY

The Supplier shall keep all details of any order, confidential.

18. TITLE

Supplier warrants that the Goods are free and clear of all liens and encumbrances and that Supplier has a good and marketable title to same.

19. PROPERTY IN GOODS

Where any part payment for the goods is made by the Company the title to and property in the partly completed or completed Goods and any materials and parts to be used in their manufacture and then on hand shall pass to the Company and the same shall be appropriately marked. The risk therein shall remain with Supplier.

20. RISK

Risk in the Goods shall pass on delivery to the Company or where Goods are to be installed by or on behalf of Suppliers, on completion of installation.

21. INSTALLATION OR FITTING

The following conditions shall apply in addition to the foregoing conditions where Supplier provides work in connection with the installation or fitting of any Goods or where this Purchase Order requires either specifically or by implication the presence of Supplier or any of its servants as agents on the Company's premises.

(a) All work shall be performed in the best and workmanlike manner.

(b) If any of the work or materials is found by the Company to be defective or not in compliance with this Purchase Order and Supplier on request of the Company fails to remedy any defect or default to the satisfaction of the Company the same may be remedied by the Company at the cost of Supplier.

(c) Supplier shall supply all labour, tools, equipment and materials necessary to complete the work.

(d) Supplier shall use its best endeavours not to impede or interfere with other work in progress on the Company's premises.

(e) Supplier enters the Company's premises at its own risk and shall also be liable for and indemnify the Company against any loss, damage, claims or liability arising directly or indirectly out of performance of work or presence on the Company's premises including

claims against the Company whether alleging negligence on the part of the Company or otherwise.

(f) Supplier shall at its own expense obtain all requisite licences and permits and comply with all laws and regulations in connection with the work or installation of the Goods.

(g) Supplier, its servants, agents and sub-contractors shall comply with the safety regulations of the Company and with the reasonable directions and orders of the Company or its manager, foreman and authorised officers.

(h) Supplier shall not sub-contract or assign the work or any part thereof without the Company's written consent.

(i) Supplier perform all works as an independent contractor and not as an agent or employee of the Company.

22. TIME

Time is of the essence of the contract evidenced by this Purchase Order.

23. LAW APPLICABLE

The Company and the Supplier accept the laws of the State of Victoria as the proper law for its Purchase Order and the Courts of the State of Victoria as the proper Courts to resolve any dispute in relation to this Purchase Order.

24. The Supplier warrants that it has carried out hazard identification, risk assessment and control of risk measures in accordance with its obligations under the Occupational Health and Safety (Plant) Regulations and has fully complied with its obligations under the Occupational Health and Safety legislation or similar legislation.

25. (i) Unless specifically stated otherwise, all amounts expressed or described are GST exclusive amounts.

(ii) "GST" means GST within the meaning of the A New System (Goods and Services Tax) Act 1999 as amended from time to time.

(iii) If any GST is payable by any party ('Provider') in respect of the supply of goods or services or any other things to another party ('Recipient'), then the amount expressed or described in this Agreement ('Original Amount') is to be increased so that the Provider receives an amount ('Increase Amount') which after subtracting the GST liability of the Provider on that Increased Amount, results in the Provider retaining the Original Amount after payment of that GST liability.

(iv) The Provider will do all things reasonably available to it to assist the Recipient to claim on a timely basis any input tax credits (if any) the recipient may be entitled to claim for the acquisition of goods, services or any other thing from the Provider, including the Provider maintaining its registered status for GST purposes and providing tax invoices for supplies made under this Agreement on a timely basis.