

Terms and Conditions of Purchase

BALMORAL ENGINEERING PTY LTD

ABN 37 001 826 017

TERMS AND CONDITIONS OF PURCHASE

The attached Purchase Order produced by Balmoral Engineering Pty Ltd ACN 37 001 826 017 of 1/38 Leighton Place, Hornsby, NSW, 2077, Australia ("Balmoral") are bound by the following terms.

1. THE ENGAGEMENT

- 1.1. The Balmoral has engaged the Supplier to supply the goods described in the Purchase Order (the "Contract Goods") and the Supplier has agreed to supply the Contract Goods for the Balmoral.
- 1.2. The Supplier represents to the Balmoral that the Supplier has skill, knowledge, experience and expertise in providing the Contract Goods and will provide the Contract Goods to the standard required by the Balmoral.

2. PRICES AND PAYMENT

- 2.1. The Balmoral has agreed to pay the Supplier the prices for the Contract Goods (the "Prices") as set out in the Purchase Order. The Balmoral will pay for the Contract Goods on 60 days terms unless otherwise noted on the Purchase Order. Prices are exclusive of GST.

3. RETENTION OF TITLE

- 3.1. The title in the Contract Goods passes to Balmoral on delivery.
- 3.2. Wherein there are products designed or improved for Balmoral pursuant to this Agreement by the Supplier, the Supplier agrees to assign all intellectual property rights for said products and improvements thereto to Balmoral during the course of this Agreement.

4. QUALITY OF CONTRACT GOODS

- 4.1. The Contract Goods must be of good quality, conform to their description and be fit for all their disclosed intended purposes.
- 4.2. The Contract Goods must comply with all safety standards, codes and applicable legislation.

5. ORDERING, DELIVERY AND PACKAGING

- 5.1. Wherein the Supplier holds or retains any of Balmoral's property including dies, tools or moulds, the Supplier agrees to insure these items against damage, fire and theft for the time period that these items are in their possession.
- 5.2. Unless otherwise agreed in writing, the Contract Goods must be delivered to the Balmoral within the time frame set out in the Purchase Order. Delays in delivery will be prorated against the cost of Contracted Goods by Balmoral in the event of late delivery.

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- 5.3. Delivery will take place at the Balmoral premises. The Contract Goods must be packaged in such a manner as to allow the Contract Goods to be transported to the Balmoral or as the Balmoral may direct and not be damaged in the usual or normal course of such transportation.
- 5.4. The Supplier agrees to be liable for shipping costs and shipping insurance for Contracted Goods unless otherwise specified in the Purchase Order.
- 5.5. The Balmoral may require any particular packaging of the Contract Goods provided that if this is different from the manner in which the Supplier usually packages those Contract Goods, all such additional costs will be borne by the Supplier. The transportation costs from the place of delivery will be borne by the Supplier.

6. BREACH BY SUPPLIER

- 6.1. If the Supplier breaches any of its contractual obligations under this Agreement and fails to remedy that breach promptly and in any event within 7 days of being requested in writing by the Balmoral to remedy the breach, then the Balmoral may by written notice to the Supplier terminate this Agreement

7. WARRANTY

- 7.1. The Supplier warrants that all the Contract Goods are fit for purpose and capable of being used by the Balmoral for their intended purpose. If for whatever reason the Contract Goods are not fit for purpose or do not conform with their specifications, the Supplier will on request and at no cost to the Balmoral replace or refund the Contract Goods (at Balmoral's discretion) so that the Balmoral can fully enjoy and use the Contract Goods for their intended purpose.
- 7.2. Any separate warranty representations made by the Supplier are in addition the warranty of Clause 7.1.

8. TERMINATION

- 8.1. Balmoral can terminate this Agreement on seven (7) days notice to the Supplier. Balmoral agrees to compensate the Supplier for products already ordered prior to the date of manufacture.
- 8.2. The Supplier has no right to sell products bearing Balmoral's trade marks to any other person or entity without Balmoral's prior written consent.
- 8.3. All dies, moulds and tools used for the custom manufacture of goods for Balmoral's Contracted Goods must be returned to Balmoral on completion or termination of this Agreement.

9. MISCELLANEOUS

- 9.1. Wherein the purchase order specifies a term or obligation contrary to these Terms, the Purchase Order takes precedence.
- 9.2. The Supplier will maintain confidentiality regarding any confidential information supplied by Balmoral and not use or disclose this information.

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- 9.3. This Agreement contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this Agreement and has no further effect.
- 9.4. This Agreement will be governed by and construed in accordance with the laws of New South Wales, Australia.
- 9.5. Any provision of this Agreement which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this Agreement enforceable, unless this would materially change the intended effect of this Agreement.
- 9.6. No failure to exercise and no delay in exercising any right, power or remedy under this Agreement will operate as a waiver.
- 9.7. This Agreement may only be amended in writing by mutual consent of both parties.