

Conditions of Purchase

1. General

Unless the context otherwise requires:

Agreement means the agreement between Supplier and Steel Mains for the supply of Goods by Supplier to Steel Mains and shall be constituted in its entirety by this Purchase Order, these Terms and Conditions of Purchase together with any documents provided by Steel Mains including the terms and/or contents of any request, solicitation, sample, drawing, specification, schedule or other document agreed to be so incorporated;

GST has the meaning given by the A New Tax System (Goods and Services Tax) Act 1999 (Cth) or, if that Act does not exist means any Act imposing or relating to the imposition or administration of a goods and services tax in Australia and any regulation made under that Act;

Goods means all goods and services ordered by Steel Mains pursuant to this Agreement; Steel Mains means the Steel Mains Pty Ltd company named on the Purchase Order; Products means the Goods; Purchase Order means the purchase order or other form of request by Steel Mains to Supplier for the supply of the Goods;

Supplier means the party named as Supplier on the front page of this Purchase Order.

2. Agreement

The Agreement shall be formed by and upon Supplier accepting the Purchase Order from Steel Mains either by Supplier's acknowledgement or by performance. The terms of the Agreement shall apply to the exclusion of any conditions of sale appearing on any document of Supplier.

3. Delivery

- The delivery of the Goods must be made strictly in accordance with this Agreement and, in particular, within any time and/or method and to such place as Steel Mains may nominate. Unless otherwise agreed, Steel Mains will not accept part delivery of the Goods.
- Steel Mains reserves the right to cancel the Purchase Order at any time and refuse delivery of any of the Goods by return of same to Supplier which return shall at all times be at Supplier's own risk and expense. Signed delivery dockets shall not mean acceptance by Steel Mains of the Goods delivered but only the number of packages or cartons delivered.
- If Supplier is late in delivering any of the Goods or if any materials and equipment forming part of the Goods are delivered in excess of the quantity ordered by Steel Mains then Steel Mains shall be entitled to return the Goods to Supplier and all costs incurred by Steel Mains in returning the Goods shall be a cost to Supplier and the purchase price shall be adjusted accordingly.
- Delivery shall not be regarded as having been completed until the Goods are fully installed (if applicable), tested and commissioned and Steel Mains has given its final acceptance.

4. Purchase Price

- The purchase price shall be inclusive of all works, services and materials reasonably necessary to ensure delivery, including any delivery, packaging, freight (unless otherwise agreed), insurance and installation costs and shall also be inclusive of all charges whatsoever including GST, sales, excise, goods and services or other taxes, duties or imposts imposed by any relevant authority in connection with this Agreement. Supplier shall accept, in lieu of any applicable sales or other tax arising out of the purchase of the Goods, any statutory or other appropriate exemption issued in favour of Steel Mains and the purchase price shall be adjusted accordingly.
- Payment of the purchase price shall be made within 45 days after the last day of the month in which the Supplier's invoice is received or otherwise in accordance with Steel Mains' credit arrangement with Supplier;

5. Warranties

Supplier represents and warrants to Steel Mains that the Goods will:

- be fit for their intended purpose;
 - comply with the requirements of all relevant standards in Australia and with any other contractual obligation of Steel Mains to a third party (as disclosed to Supplier by Steel Mains);
 - conform with all specifications, drawings, samples or other descriptions furnished by Steel Mains to Supplier from time to time; and
 - be of the highest quality and free from any defects in design, manufacturing, materials and workmanship.
- ## 6. Title and risk
- Supplier warrants full and unrestricted title for all Goods supplied under the Agreement and that the Goods are free from any lien or encumbrance whatsoever.
 - Goods are at Supplier's risk until delivery is completed in accordance with the Agreement.
 - Without prejudice to Steel Mains' right to reject the Goods, title and risk of loss shall pass to Steel Mains upon delivery of the Goods, provided that, if the Goods are non conforming or defective, Supplier shall bear the risk of loss as to the Goods until the defect is remedied by the Supplier.
 - Supplier expressly waives any and all liens of any kind or nature to which Supplier may otherwise be entitled, whether statutory or otherwise, and Supplier agrees to indemnify and forever hold harmless Steel Mains' against any claims from any third parties against Supplier affecting directly or indirectly the Goods.

7. Installation

Where the Goods are required to be installed by Supplier, Supplier shall provide all work and materials necessary to carry out such installation. All work carried out by Supplier will be completed in a proper and workmanlike manner and Supplier will exercise all due care.

8. Defective Goods and refunds

- All Goods ordered are subject to final inspection and approval by Steel Mains. In the event that the Goods (or any part) fail (in Steel Mains' absolute opinion) to conform with Supplier's obligations then Steel Mains may reject the Goods. Supplier shall refund the purchase price forthwith together with an amount to cover Steel Mains' inspection, handling, transportation and other reasonable charges or expenses.
- Acceptance of or payment for all or any part of the Goods shall not be deemed to be a waiver on the part of Steel Mains of its contractual, statutory or other rights in respect of the Goods.
- Where Steel Mains rejects the Goods which are already installed, Supplier shall immediately

upon written direction, remove the defective Goods, replace same and make good any damage to other property occasioned in such removal to the satisfaction of and at no cost to Steel Mains

9. Insurance

Supplier shall maintain in full force public liability insurance and product liability insurance in respect of the Goods for a minimum amount of AU\$20 million or otherwise in amounts and form satisfactory to Steel Mains. Steel Mains may from time to time as reasonable require production of certificates of currency to ensure that Supplier has complied and continues to comply with this clause.

10. Indemnity

Supplier indemnifies Steel Mains against any loss (including consequential and indirect loss), damage, liability or claim, whether arising under contract, common law, in equity or under any statute, which Steel Mains suffers or incurs arising out of:

- any breach of this Agreement by Supplier; and
- any injury or death to any person or damage to any property in any way connected with the performance of the Agreement or the Goods supplied by the Supplier.

11. Default

If Supplier:

- is in default of any provisions of this Agreement and such default is not rectified within 7 days of receipt of notice from Steel Mains to rectify such default; or
 - is adjudged bankrupt, its assets are liquidated or if it makes a general assignment for the benefit of its creditors; or
 - is a receiver, liquidator, administrator or other controller of property appointed to Supplier on account of its solvency or ability to pay its debts as they fall due;
- then, Steel Mains may, without prejudice to any other rights or remedies it may have hereunder, terminate this Agreement, forfeit any retention, take possession of any premises, materials tools and appliances and finish the work by whatever means it may deem expedient. Steel Mains shall not be liable to pay Supplier any further payments until work or services are completed. If the unpaid balance of the purchase price shall exceed the expense of finishing the work then such excess shall be paid forthwith by Supplier and/or deducted as the case may be to Supplier's account.

12. Maintenance manuals

Supplier shall provide comprehensive operating instructions, maintenance manuals, drawings, software protocol (if applicable) to enable Steel Mains to maintain the Goods.

13. Intellectual property

- Supplier warrants that it is the owner of or, where appropriate, is the registered user of, any patents, trademarks, copyright, data or trade secrets connected directly or indirectly to the Goods and Supplier agrees to indemnify and forever hold harmless Steel Mains against any actions arising from any breach of this warranty.
- Steel Mains shall at all times retain title to the copyright or any other intellectual property rights in any plans, designs, sketches, drawings, blue prints, patterns, models, tools, dyes, moulds, special appliances, materials and patents and in any other document or material furnished by Steel Mains (whether furnished by Steel Mains in connection with this Agreement or produced by Supplier for the purposes of this Agreement) (Steel Mains IP). During the term of this Agreement Steel Mains IP shall be deemed to be held by Supplier on consignment or as a bailee only and at Supplier's sole risk.
- Steel Mains IP shall only be used by Supplier in the production for Steel Mains of the Goods or the performance of related work.

(d) This Agreement shall not be construed as being an implied or an express assignment or licence of any of Steel Mains IP or the rights therein. Supplier shall not be entitled to any lien, charge or other form of attachment whatsoever in respect of Steel Mains IP.

(e) Supplier shall not disclose Steel Mains IP to others except where, prior to disclosure, Steel Mains so agrees in writing. Steel Mains IP shall not include matters or things known to the general public

or to Supplier prior to the date of this Agreement and such knowledge was not the result of a breach of any other confidentiality obligation of Supplier.

(f) Supplier shall return all property of Steel Mains upon receipt of demand and Supplier shall not under any circumstances whatsoever make any unauthorised copies of any information provided to Supplier by Steel Mains, including Steel Mains IP.

14. Hazardous Materials

Supplier shall notify Steel Mains forthwith in writing upon acceptance of the Purchase Order if the Goods are subject to laws and/or regulations relating to hazardous and/or toxic substances, or when disposed of, to regulations governing hazardous wastes, or any other applicable environmental, health or safety laws or regulations. Written instructions for handling, warnings and material data sheets shall be provided by Supplier to Steel Mains with each shipment or delivery of Goods.

15. Liquidated Damages

In the event that delivery of the Goods is delayed due to the fault of the Supplier then without prejudice to any other rights of Steel Mains, the Supplier shall pay to Steel Mains liquidated damages at the rate of 0.5% of the purchase price stated in the Purchase Order for each day of delay up to a maximum of 10% of the purchase price. Supplier agrees that the foregoing amount of liquidated damages is fair and reasonable compensation to Steel Mains for delay without the need for Steel Mains to prove actual loss.

16. Miscellaneous

- The Goods are for the use of or re-sale by Steel Mains or any other Steel Mains Group company and may be incorporated in any products. In no event shall any claim for royalties or other additional compensation be made by Supplier by reason of such use, re-sale or manufacture.
- The fact that Steel Mains fails to do, or delays in doing, something it is entitled to do under the Agreement, does not amount to a waiver of its right to do it.

(c) If a clause or part of a clause can be read in a way that makes it illegal, unenforceable or invalid, but can also be read in a way that makes it legal, enforceable and valid, it must be read in the latter way. If any clause or part of a clause is illegal, unenforceable or invalid, that clause or part is to be treated as removed from these Terms and Conditions of Purchase, but the rest of the Agreement is not affected.

(d) Steel Mains shall not be liable for any failure to fulfil or any delay in fulfilling any obligation arising

from the Agreement if the failure or delay has been caused directly or indirectly by any act of God, war or other civil commotion, strikes, lockouts, stoppages and restraints of labour, breakdown of machinery, inability to obtain raw materials or fuel, fire or explosion, any government action or any other cause beyond the reasonable control of Steel Mains and not a consequence of Steel Mains' negligence.

(e) Supplier shall at all times comply with the requirements of all applicable statutes, regulations or standards in the supply of the Goods pursuant to this Agreement.

(f) The Agreement is governed by and must be interpreted in accordance with the laws of the place where the Goods are to be delivered. If there is more than one place for delivery, then any of those places at Steel Mains' election. Supplier unconditionally submits to the non-exclusive jurisdiction of the courts of that place.

(g) Where there is more than one Supplier then the liability of each shall be joint and several.

(h) The rights and remedies provided in the Agreement will not affect any other rights or remedies available to Steel Mains.

(i) No variation of this Agreement will be effective unless such variation is in writing and signed by Steel Mains

(j) This Agreement cannot be assigned, transferred or any part sub-contracted by Supplier without the prior written consent of Steel Mains.

(k) In the event of any dispute or differences, the parties shall first attempt to resolve the same between them before proceeding to litigation or arbitration as the case may be.

(l) Unless otherwise stated, all amounts shall be in Australian dollars or the currency stipulated in the Purchase Order.

(m) If the Agreement is translated into another language and there is any diversion between the other language version and the English version then the English version shall prevail.