

## CONDITIONS OF PURCHASE

### 1. GOODS AND SERVICES

- (a) The following terms and conditions of purchase shall apply to any contract for the purchase of goods or services ("goods") by AW Distribution Pty Ltd ("Austral Wright Metals") from another party ("Supplier")

### 2. OFFER AND ACCEPTANCE

- (a) A quotation supplied to Austral Wright Metals by the Supplier shall constitute an offer to sell. Any purchase order placed by Austral Wright Metals pursuant to a quotation shall constitute acceptance of the quotation upon the terms and conditions contained in this document. These terms and conditions shall apply to every contract of purchase between the Supplier and Austral Wright Metals. Austral Wright Metals, expressly rejects terms and conditions deviating from, or inconsistent with, these terms and conditions.

### 3. QUALITY

- (a) All goods are to be to the satisfaction and approval of Austral Wright Metals. Suppliers submit a Quality Process plan to Austral Wright Metals for approval before goods and services are supplied. Products received may be sampled and audited by Austral Wright Metals, and where the sample is rejected, Austral Wright Metals may reject the total delivery.

### 4. WARRANTIES

- (a) The Supplier warrants that all goods supplied to Austral Wright Metals:
- i. Are fit for the purpose for which Austral Wright Metals intends to use the goods.
  - ii. Are of merchantable quality.
  - iii. Will conform to any samples of the products approved by Austral Wright Metals.
  - iv. Are free from defects in materials and workmanship.
  - v. Will perform in accordance with the specifications provided by Austral Wright Metals.
  - vi. Will conform to the description of the products provided by Austral Wright Metals.
  - vii. Do not and will not infringe the intellectual property rights of any third party.
  - viii. Are new on delivery to Austral Wright Metals, and
  - ix. Conform to all relevant standards and all laws and regulations.

### 5. VARIATION OR CANCELLATION

- (a) Austral Wright Metals may at any time prior to the delivery of the goods by the Supplier, vary or cancel an order without incurring any liability to the Supplier. However where the Supplier has manufactured goods in whole or in part specially for Austral Wright Metals (non-standard product) or the Supplier has stocked non standard product on behalf of Austral Wright Metals, then the Supplier will be compensated to the extent of costs reasonably incurred, excluding consequential loss of profits or lost commercial opportunities.
- (b) In addition to any other rights of Austral Wright Metals, Austral Wright Metals may reject any goods which fail to comply with the requirements of Clause (4).
- (c) In addition to any other rights of Austral Wright Metals, Austral Wright Metals may suspend or terminate an order for late delivery.

### 6. SUB CONTRACTING

- (a) The Supplier is to obtain approval from Austral Wright Metals prior to the sub-letting of any part of Austral Wright Metal's order.

### 7. TOOLING

The Supplier will be responsible for tooling costs unless otherwise agreed in writing.

- (a) In situations in which Austral Wright Metals agree to pay for tooling, the tooling remains the property of Austral Wright Metals and is to be used by the Supplier to produce product exclusively for Austral Wright Metals unless otherwise approved by Austral Wright Metals in writing. It is the responsibility of the Supplier to insure the tooling for its full replacement value. Tooling paid for by Austral Wright Metals will be clearly marked by the Supplier as being the property of Austral Wright Metals. It is the Supplier's responsibility to maintain tooling in order to produce products/components to the drawing specifications.

## **8. INSURANCE**

- (a) The supplier shall insure the goods for their full replacement value against loss or damage including loss or damage in transit to the delivery place specified in the purchase order which policy shall be maintained until risk in the goods passes to AUSTRAL WRIGHT METALS, be in the joint names of the parties and cover the parties' respective rights, interests and liabilities. Whenever requested in writing by the Purchaser, the Supplier shall provide satisfactory evidence of such insurance effected and maintained.

## **9. OVER SUPPLY**

- (a) Unless Austral Wright Metal's approval is obtained prior to delivery, any quantity supplied in excess of that ordered is to be returned to the Supplier and any expenses incurred by the Company by such over supply are to be to the Supplier's account.

## **10. UNDER SUPPLY**

- (a) Unless otherwise approved by Austral Wright Metals, the complete order quantity is to be supplied. Rejected components are to be replaced within the time required unless otherwise approved by the Company.

## **11. PACKING**

- (a) The Supplier shall be liable for any damage to the goods during transit and expenses involved on account of improper packing and for any damage to the products attributable to inadequate or improper protective measures taken by the Supplier in regard to the packing.

## **12. PRICE AND PAYMENT TERMS**

- (a) Payment terms shall be as agreed with the Supplier and Austral Wright Metals.
- (b) The price payable by Austral Wright Metals for the goods or services as specified in the Supplier's quotation is inclusive of all sales tax, export duty, customs duty and any other taxes or imposts.

## **13. DELIVERY**

- (a) All goods will be delivered Free Into Store (FIS) unless expressly agreed otherwise.
- (b) Deliveries are to be made to the designated store as shown on the Austral Wright Metals Purchase Order.
- (c) The Supplier shall indemnify Austral Wright Metals for all costs, losses and damages suffered as a consequence of delivery of products being delayed beyond the time specified for delivery in Austral Wright Metal's purchase order.

## **14. RISK AND TITLE**

- (a) Risk in the goods shall pass from the Supplier to the Purchaser on delivery, in accordance with Clause 13. Any costs associated with storage and handling due to shipping or other delays beyond the control of the Purchaser will be borne by the Supplier. Ownership of and unencumbered title in the products shall pass on to the Purchaser on delivery in accordance with Clause 13.

## **15. INDEMNITY**

- (a) The Supplier indemnifies and holds harmless the Purchaser against all costs, loss or damage (including consequential loss or damage) of whatever nature arising from its performance of (of failure to perform) and obligations under these terms and conditions.