

GENERAL CONDITIONS OF PURCHASE

COMPLETE AGREEMENT.

This Purchase Order together with any written instructions issued hereunder contains the complete and final agreement between buyer and seller and no document, agreement or other understanding in any way purporting to modify terms and conditions thereof (including the price, quantity or specifications set out in any delivery schedule) shall be binding upon the buyer unless made in writing and signed by the buyer's authorised representative. Any assignment of the Purchase Order or any interest therein without the buyer's prior written consent shall be void.

PRICE.

Unless buyer consents in writing this Purchase Order may not be filled at a price higher than set out on the face hereof, or in the absence of a stated price, at a higher price than that previously quoted to or charged to the buyer.

PACKING, MARKING AND SHIPPING.

The seller covenants with the buyer that:

- a) All goods shall be properly packed to prevent damage or deterioration and in such manner as will obtain the lowest transportation rates. The seller shall be responsible for all charges by way of preparation, crating, dunnage and other costs unless separately stated in this Purchase Order.
- b) All consignments shall be clearly marked with the buyer's Purchase Order reference and name.
- c) Each consignment shall be issued with a packing slip which shall clearly state the buyer's Purchase Order number, the type of goods and quantities.
- d) The seller agrees that the packing slip shall be attached to or included with the goods in a manner convenient for location thereof.
- e) Shipments in excess of those authorised may be returned to seller and seller shall pay the buyer for all expenses incurred in connection therewith, including the costs (if any) in ascertaining the existence and nature of the excess shipment.

DELIVERY.

Time shall be of the essence of the Contract. The seller shall comply with the specified delivery schedule on the face of this Purchase Order. If the seller defaults in compliance with the delivery schedule the buyer may either:

- a) Approve a revised delivery schedule;
- b) Request shipment via air or other expeditious route to minimise delay in delivery with the seller to bear all costs occasioned thereby; or
- c) Treat such default as a repudiation by the seller of this agreement and accept such repudiation and rescind this agreement by notice in writing whereupon the buyer's obligation to the seller shall terminate absolutely, but without prejudice to any of the rights of the parties existing prior to the date on which the termination notice is served on the Supplier.

Should the seller fail to deliver goods in accordance with this Purchase Order or published schedules, the buyer may elect to return part or all of the goods supplied against the Purchase Order and terminate the agreement.

INSPECTION - RETURN.

Notwithstanding prior payment, all goods are subject to inspection and acceptance by the buyer within a reasonable time after delivery to it. Buyer shall notify seller if any goods are rejected for any reason. At buyer's election rejected goods may be held for seller's accounts or returned to seller at seller's risk and expense. No replacement or correction of non-conforming goods shall be made by seller without an authorisation for buyer.

WARRANTIES.

In addition to all warranties implied herein by law or by conduct of the parties subsequent hereto, the seller warrants to the buyer that:

- a) CONFORMITY.
The goods covered by this Purchase Order will conform to the specifications, drawings, samples or other descriptions furnished or specified by the buyer and will be fit and sufficient for the purpose intended, of merchantable quality, of good material and workmanship and free from all defects.
- b) TRACEABILITY.
Where specified by the buyer, the seller will be able to provide traceability of goods covered by the Purchase Order. In the absence of a specific instruction, the seller will be able to provide traceability upon the degree of product liability risk involved.
- c) PATENTS.
The goods specified herein (and their sale or use alone or in combination according to the seller's specification or recommendations, if any) will not infringe any registered or pending Australian or foreign patents and the seller further agrees to defend indemnify and keep indemnified and held harmless the buyer or anybody selling or using any of the buyer's products against all loss damage liability cost expenses including legal fees, incurred by reason of infringement or alleged infringement.

TERMINATION.

In addition to the buyer's power to revoke its offer prior to acceptance, the buyer shall have the right to terminate this Contract in accordance with the following provisions:

- a) BUYER'S OPTION.
Performance of work under this Purchase Order may be terminated in whole or in part by buyer at its option at any time by written notice of termination to seller. Forthwith after delivery of the termination notice to seller the buyer shall pay to the seller the Purchase Order price of all goods or services which have been delivered in accordance with the terms of this Purchase Order and not previously paid for and buyer shall also compensate to seller for direct expenditure for work and labour done on a quantum meruit basis for the period up to the date of delivery of the termination notice. In the event of such termination the goods or such part thereof as the buyer is obliged to pay for and shall be held by the seller subject to receipt of shipping instructions. Payments made under this sub-paragraph shall not exceed the aggregate price specified in the Purchase Order.
- b) SELLER'S DEFAULT.
If the seller either:
 - i) Refuses or fails to make delivery of the supplies as specified in this Purchase Order or in any shipment document issued to the seller, or
 - ii) Fails to comply with any terms and conditions herein and fails to rectify such default within a period of ten (10) days after receipt of a written notice from the buyer specifying the default and requiring its rectification within such period, the buyer may at its option treat such default as repudiation by the seller of its obligations under the contract and rescind this contract in whole or in part.

CHANGES, WAIVER.

Buyer's authorised representative, at any time by written order, may make changes in drawings and specifications, or the method of delivery of goods or services the subject of the Purchase Order. Seller shall notify buyer within ten (10) days after receipt of the order if the change will affect the time of performance, or the amount to be paid by the buyer hereunder and an adjustment will be negotiated. The waiver of any conditions by the buyer shall constitute a waiver only of the condition and shall operate only for the purpose and in respect of the circumstances in which the waiver is given and not otherwise.

BUYER'S PROPERTY.

Unless otherwise agreed in writing, all drawings, specifications, tools, equipment or materials of every description furnished to seller by buyer or specifically paid for by buyer shall be and remain the personal property of buyer. Such property shall be held at seller's risk and insured at seller's expense in an amount equal to its replacement cost with loss payable to the buyer. It shall be safely stored, maintained and wherever possible, clearly marked property of Climate Technologies by seller. Buyer shall have the right to enter upon seller's premises to inspect such property and any related records. Upon buyer's written request seller shall prepare the property for shipment and redeliver it to buyer in the same condition in which it was received, reasonable wear and tear excepted

COVENANT.

The seller covenants to observe all the terms and conditions contained in this Contract and in particular to comply with the shipping schedule and to produce the goods or services described on the face hereof and the seller agrees and acknowledges that the specifications of the goods or services or both hereby purchased shall be and form part of the conditions of this Contract, the breach of which shall entitle the buyer to proceed in accordance with the Termination provisions above.

INTERPRETATION.

In this Purchase Order, "buyer" means Climate Technologies; and "seller" means the person to whom this Purchase Order is addressed.