



Standard Terms and Conditions of Purchase

Compac Sorting Equipment Ltd

1. Definitions

- 1.1 "Company" means Compac Sorting Equipment Ltd.
- 1.2 "Deliverables" means the goods or services to be supplied by the Supplier to the Company as identified in the Purchase Order.
- 1.3 "Goods" means all goods, materials, equipment, parts and any other ancillary activity provided by the Supplier to the Company as identified in the Purchase Order.
- 1.4 "GST" means Goods and Services Tax as defined in the Goods and Services Tax Act 1985.
- 1.5 "Services" means the services to be provided by the Supplier to the Company as identified in the Purchase Order.
- 1.6 "Supplier" means the person supplying the goods or performing the services as identified in the Purchase Order.

2. Terms Applying

- 2.1 These terms apply to all purchases of goods and/or services from Supplier by the Company.
- 2.2 Any terms or conditions of supply on any invoice or other document provided by the Supplier will be of no effect and will not replace or vary any of these terms and conditions unless the Company agrees in writing. Each Purchase Order for goods or services submitted by the Company incorporates, and is subject to, these terms notwithstanding anything to the contrary in any of the Supplier's documentation.

3. Precedence of Documents

- 3.1 Unless otherwise stated, the order of precedence of the following documents shall apply:
 - a) Any Supply Agreement/Service Level Agreement between the parties;
 - b) the Purchase Order;
 - c) these terms and conditions; and
 - d) any attached drawings or documents.

4. Supplier Obligations

- 4.1 Supplier must supply the Goods and/or Services in accordance with the terms of any Supply Agreement/Service Level Agreement between the parties, the terms of the Purchase Order and these Terms and Conditions.
- 4.2 While on the Company's site, the Supplier and its employees, representatives and/or agents must at all times comply with:
 - a) the Company's site rules, site access and security requirements; and
 - b) all relevant legislation, codes or standards; and
 - c) all reasonable directions given by the Company.
- 4.3 The Supplier must hold all consents, permits and licenses necessary to provide the goods or perform the services.

5. Alterations/variations

- 5.1 Alterations or variations to the Purchase Order, these Terms and Conditions or any attached drawings or documents shall not be legally binding upon Company or Supplier unless agreed in writing by the parties.

6. Price and Payment

- 6.1 Price
 - a) The price of the Deliverables shall be specified in the Purchase Order and cannot be varied without written agreement of the Company and Supplier. Unless otherwise stated in the Purchase Order, the price is fixed and not subject to variation and includes all expenses incurred by the Supplier in

relation to provision of the Deliverables. The price is exclusive of any applicable GST.

6.2 Payment

- a) Unless otherwise stated in the Purchase Order, the terms of payment are end of month following month of invoice from receipt of a correctly rendered Supplier's invoice by the Company and receipt and acceptance of the Deliverables by the Company.
- b) A correctly rendered invoice includes, as a minimum, the Purchase Order number and the Company item number as shown on the Purchase Order and constitutes a valid tax invoice for the purposes of GST.
- c) Company reserves the right to return to Supplier any invoices not deemed to be correctly rendered.
- d) Company has the right to offset against any moneys payable to the Supplier against any sums owed by the Supplier to the Company.

7. Packaging and Preservation

- 7.1 All Goods supplied by the Supplier shall be packed as specified in the Purchase Order and if not specified shall be packed so as to avoid being damaged during transportation, loading and unloading.

8. Inspection and Testing

- 8.1 The Company is entitled to expedite, inspect and witness tests on the Goods at the Supplier's and any subcontractor's premises. The Supplier must allow Company access at any reasonable time to the Supplier's and any subcontractor's premises for this purpose. The Supplier must make this a condition of any subcontract. Any inspection by the Company does not relieve the Supplier from any subsequent liability in respect of the Goods and such inspection in no way implies that the Company accepts the Goods.

9. Delivery, Risk and Title

- 9.1 The Supplier is responsible for the delivery and all costs associated with the delivery of the Goods to the Company's premises or such other location that is specified in the Purchase Order.
- 9.2 Title to and property in the Goods immediately passes to the Company upon payment or delivery, whichever occurs first, and the Goods must be appropriately marked and identified as the property of the Company.
- 9.3 Risk in the Goods remains with the Supplier until delivery to the Company unless otherwise stated in the Purchase Order.
- 9.4 If the Supplier makes part deliveries and/or fails to deliver the total quantities as stated on the Purchase Order, the Company may cancel the entire order at no cost to the Company and the Company may return any part of the deliveries to the Supplier at the Supplier's cost.
- 9.5 The receipt or signature of a delivery order by the Company is not acceptance of either the quality or quantity of the Goods. Acceptance of the Goods will be subject to the Company's inspection and subsequent use of the Goods.

10. Delays

- 10.1 Time is of the essence in the Supplier's performance of the Purchase Order. If it ever appears that the provision of Deliverables will not be met within the time specified, the Supplier must immediately notify the Company of any anticipated delay, with complete

information regarding the cause and the earliest possible delivery date. In such event, the Company may (without prejudice to any other rights) do whatever is necessary to expedite the provision of the Deliverables at the Supplier's expense, including terminating the Purchase Order.

11. Warranty

- 11.1 The Supplier warrants that the Deliverables shall be free from faulty design, defects and workmanship, suitable for the purpose intended and conform to the Purchase Order requirements and any applicable laws and regulations. Supplier further warrants that the Goods are new and are of the specified quality.
- 11.2 These warranties are in addition to any statutory warranties applicable to the Deliverables.
- 11.3 If any part or aspect of the Goods fail or becomes defective within 18 months from the date the Goods were supplied to the Company, the Supplier must without delay and at no cost to the Company do all things necessary to remedy the defect or failure in the Goods. This can be by way or repair, replacement, modification or other means acceptable to the Company. If the Supplier does not do so, within a reasonable period following notice of the defect from the Company, then the Company will have the right to remedy the defect and recover costs so incurred from the Supplier.
- 11.4 If, during the term of the Purchase Order, and a further term of 12 months following completion of Services, the Company is of the view that the Services do not comply with the requirements of the Purchase Order then the Company may require the Supplier to re-perform the Services at the Supplier's cost within such time as the Company reasonably may request.

12. Liability and Indemnity

- 12.1 The Supplier must indemnify and keep indemnified, the Company, and its officers, employees and agents against all claims, demands, proceedings, liabilities, costs, charges and expenses suffered by the Company and its officers, employees and agents arising as a result from any act, neglect or fault of the Supplier, its officers, employees and agents related to its obligations under the Purchase Order.
- 12.2 The Company will not be liable to the Supplier for any indirect or consequential loss or damage under the Purchase Order.
- 12.3 The maximum sum, for which the Company may be liable to the Supplier under the Purchase Order, is limited to the price of the Deliverables.

13. Insurances

- 13.1 In relation to Services, the Supplier shall take out and maintain:
 - a) comprehensive public liability insurance with a limit of not less than \$10,000,000 per claim;
 - b) motor vehicle third party liability insurance as required by law;
 - c) insurance covering the Supplier's own property, equipment, materials owned, hired leased or used by the Supplier for the purpose of this Purchase Order; and
 - d) any additional insurance required by any applicable law.
- 13.2 In relation to Goods, the Supplier shall take out and maintain any policies of insurance specified in the Purchase Order or required by law.

- 13.3 Supplier will at the request of Company provide copies of all certificates of currency in respect of the insurances required to be taken out by Supplier.

14. Force Majeure

- 14.1 Neither the Company nor the Supplier shall be liable to the other for default or delay in performing its obligations in respect of this Purchase Order caused by any occurrence beyond its reasonable control including, without limitation, fire, strike, disturbance, riot, war, Act of God and government order or regulation, provided that the party affected by such occurrence notifies the other party in writing within seven (7) days of the commencement of that occurrence. When the party ceases to be affected by the force majeure event it must immediately recommence performing its obligations under the Purchase Order and notify the other party accordingly. However, if as a result of any such force majeure event, supply of all or part of the Deliverables is delayed more than 14 days after the delivery date specified in the Purchase Order the Company may, without penalty, cancel this Purchase Order to the extent it relates to such delayed Deliverables.

15. Disputes

- 15.1 Company and Supplier agree to work together to quickly settle disputes or differences that may arise. In the event that any such disputes or differences cannot be negotiated and amicably resolved between the parties within 60 days after the dispute was first raised, then the parties agree that the dispute must be referred to the panel of mediators approved by the Arbitrators' and Mediators' Institute of New Zealand Inc (AMINZ). The place of mediation shall be Auckland, New Zealand
- 15.2 In the event of any unresolved dispute the Supplier must ensure the continued progress of achieving Deliverables.

16. Termination

- 16.1 If Goods have been offered by the Supplier as, or if they are, standard or stock items Company can, by notice to Supplier, at any time up to delivery cancel the commitment to buy them. Any other commitment of the Company to receive and pay for Deliverables may be cancelled by the Company and in such instances the Company will reimburse the Supplier for all irrecoverable costs incurred, or unavoidably committed, by the Supplier up to the point of cancellation.
- 16.2 Company may suspend performance of, or cancel, or suspend and then at any subsequent time cancel, the Purchase Order without any liability to the Supplier if it breach its terms, or if the Supplier's business fails. The Supplier's business will be treated for this purpose as having failed if:
 - a) the Supplier makes any voluntary arrangement with its creditors;
 - b) (being an individual or firm) Supplier becomes bankrupt;
 - c) (being a company) Supplier becomes subject to an administration order or goes into liquidation;
 - d) any third party takes possession of, or enforces rights over, any of the Supplier's property or assets under any form of security;
 - e) the Supplier stops or threatens to stop carrying on business;

- f) the Supplier suffers any process equivalent to any of these, in any jurisdiction; or
 - g) Company reasonably believes that any of the events mentioned above is about to occur and Company notifies the Supplier accordingly.
- 16.3 Any right of cancellation or suspension under this section is additional to any rights available to the Company under the law of any relevant jurisdiction.
- 17. Confidentiality**
- 17.1 Any information provided by the Company to Supplier which is noted as confidential, or the Supplier ought reasonably to know to be confidential, must not be disclosed to any third party by the Supplier without the prior written consent of the Company. The parties agree that this obligation shall survive termination or expiration of the Purchase Order.
- 18. Intellectual Property**
- 18.1 Where any license or other authorisation is required to own, possess, use or resell any Goods or component the Supplier will, at no extra cost to the Company, procure an irrevocable and unrestricted license on a non-exclusive and transferable basis for the Company to own, possess, use and resell the Good or component.
- 18.2 All proprietary rights in any intellectual property (including any design, data, specifications, know-how or any other form of intellectual property) that is specifically developed for us as part of the provision of any Goods or Services will become the Company's property.
- 18.3 Any intellectual property owned by the Supplier prior to execution of the Services will remain the property of the Supplier.
- 19. Waiver**
- 19.1 No failure or delay on the part of the Company in exercising any of its rights under the Purchase Order shall be construed as constituting a waiver of any such rights.
- 20. Governing Law**
- 20.1 Unless otherwise specified, the Purchase Order will be governed and construed in accordance with the law of New Zealand and the parties submit to the exclusive jurisdiction of the courts of New Zealand.
- 21. Subcontracting and Assignment**
- 21.1 The Supplier is not permitted to assign or sub-contract all or any part of its obligations under the Purchase Order without the prior written consent of the Company.
- 22. Compliance with Laws**
- 22.1 The Supplier, when providing the Deliverables, must have regard to and use best endeavours to ensure that it complies with all relevant and applicable laws, regulations and policies.
- 23. GST**
- 23.1 GST is payable on certain supplies of goods and/or services.
- 23.2 Words defined in the Goods and Services Tax Act have the same meaning in these terms and conditions unless specifically defined in this clause.
- 23.3 All charges and amounts payable by one party to another under the Purchase Order are stated exclusive of GST.
- 23.4 For each taxable supply under or in connection with the Purchase Order:
- a) The Supplier will be entitled to charge the Company for any GST payable by the Supplier in respect of the taxable supply.
 - b) The Company must pay to the supplier the amount of the GST at the same time as the relevant charge applicable to the supply becomes payable under the Purchase Order.
 - c) The Supplier must provide a valid tax invoice (or a valid adjustment note) to the Company in respect of the taxable supply.
- 24. Non-exclusivity**
- 24.1 The Purchase Order, or these terms and conditions, do not confer on the Supplier any right to be a sole or exclusive supplier of the Deliverables.
- 25. Independent Supplier**
- 25.1 The Supplier is an independent contractor and must exercise independent control, management and supervision in the performance of the Purchase Order. The Supplier is not the Company's agent in any way. The Suppliers' personnel will not under any circumstances be considered employees of the Company for any purpose.
- 26. Notices**
- 26.1 A notice is treated as having been duly given and received when delivered, in writing, to the other party's address. The addresses of the parties are as stipulated in the Purchase Order.
- 27. United Nations Convention on Contracts for the International Sale of Goods**
- 27.1 Supplier and Company agree that the provisions of the United Nations Convention on Contracts for the International Sale of Goods will not apply to the supply of goods under any Purchase Order and these terms.

