

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS – in this order:

“Buyer means AMAC Alloys, AMAC Corrosion or any company which is listed as a Buyer in this order.

“Change Order” means written notice from Buyer and accepted by Seller amending the terms of this order.

“Goods” means the machinery, plant equipment, materials and any other items to be supplied under this Order, including any and all parts thereof.

“Indemnities” means Buyer, AMAC Corrosion Protection P/L, The August Metal & Alloy Co. P/L and any “related corporation” of them within the meaning of “related corporation” as used in section 7 (5) of the companies (VIC) Code and the directors and employees of each of them.

“Order” means this order and all terms and conditions applicable thereto.

“Release” means a specific order for Goods issued by Buyer pursuant to a Blanket Order.

“Seller” means the supplier named in this Order.

2. TAXES – Seller shall indemnify Buyer from and against any direct or indirect liability for any taxes, duties, excises, fees or other charges imposed on or payable in relation to the performance of the Agreement unless otherwise provided in this Agreement.

3. INDEMNITY – Seller shall indemnify and keep indemnified the Indemnities against any damage or claim for damages or loss or liability for injuries to or death of Seller employees, damage to Seller property or property in which it has an interest howsoever and by whosoever it may be caused. This indemnity shall apply even in the event of Indemnities’ sole or concurrent negligence.

4. INSURANCE – Seller shall obtain and maintain in force and effect at its own expense, for the term of this Order the following insurance’s:

a) Workers Compensation and Employers Liability insurance in compliance with the laws of the State whose law governs this Order and such other laws as may be applicable.

b) Public Liability insurance covering bodily injury, death and property damage in amount not less than \$500,000 for any one occurrence and unlimited in the aggregate for any one period of insurance.

5. ACCEPTANCE – This Order shall be effective upon Seller acknowledging acceptance of the Order or commencing performance of the Order which ever occurs first.

6. PRICE – Unless otherwise specified all prices shown in this Order shall be firm, or if a period as specified on the face of this order firm for that period and are inclusive of GST and all other taxes and duties. No charges will be allowed for packing, crating, freight or cartage unless provided in this order.

7. QUALITY – Seller warrants that: (I) in the manufacture of the Goods, no second-hand materials have been used and only the best workmanship and materials have been employed (II) the Goods will conform to description and specification and (III) the Goods will be free from all defects, material and workmanship and all defects due to design.

8. PACKING – The Goods shall be properly packed to avoid being damaged during transport or loading and unloading. All packages shall be clearly identified with Order Number and Delivery Location.

9. DELIVERY – Time is of the essence hereof insofar as it applies to the obligations of the Seller and if any Goods are not delivered within the time specified in the Order, or in the case of a Blanket Order within the time specified in the Release, or within a reasonable time if no time is specified Buyer may either (I) refuse to accept such Goods and terminate this Order, or in the case of a Blanket Order terminate the Release, or (II) cause the Seller to ship the Goods by most expeditious means whereupon any additional transportation, shall be at the seller expense.

10. TITLE – The property and risks in the Goods shall pass to Buyer upon delivery to nominated receiving location but without prejudice to any right of rejection or other rights which may accrue to Buyer hereunder.

11. INVOICES – All invoices shall be rendered after delivery of the Goods to Buyer. Separate invoices shall be rendered to reach Release issued pursuant to a Blanket Order to the address shown on the Release.

12. INSPECTION – Buyer has the right to inspect the Goods during manufacture whether at the plant of Seller, Supplier or Sub-contractor. If Buyer exercises this right: (I) Seller shall provide without charge all necessary supplies and facilities to enable tests and inspections to be carried out and (II) Buyers test or inspection, or if applicable, the waiver of its right to test or inspect, shall not relieve Seller from its obligations to deliver Goods conforming to specification and requirements as to quality as specified or implied herein. Buyer has the right to witness all tests on the Goods by Seller and Seller shall notify Buyer 48 hours in advance of test commencement. If Buyer so requires, certificates on inspection or tests shall be furnished by Seller to Buyer.

13. PATENT RIGHTS – Seller shall indemnify Buyer against liability of any kind, including costs and expenses based on a claim that the manufactured use or Sale of any Goods constitutes any infringement of any patent, registered design, trademark or trade name.

14. FORCE MAJURE – Neither Seller or Buyer shall be liable to the other for default or delay in performing its obligations hereunder caused any occurrence beyond its reasonable control, including but not limited to, fire, strike, industrial disturbance, riot, war, act of God, delay of carriers and government order or regulation.

15. ASSIGNMENT & SUBCONTRACTING – No part of this Order shall be assigned, transferred or sub-let without Buyers permission. If sub-letting is permitted by Buyer, copies of all sub-orders shall be supplied

REVISION No.	5	PAGE	1 of 2	ISSUE DATE	19SEP03	SECTION	4-02
--------------	---	------	--------	------------	---------	---------	------

GENERAL TERMS AND CONDITIONS

to Buyer immediately they are placed and Seller shall notify Buyer when the material on such sub-orders are ready for inspection when inspection is called for.

16. **CONFLICT OF INTEREST** – Seller shall during the currency of this Order use its best endeavours to ensure that no action is taken by itself, servants, permitted agents or subcontractors which could or might result in or give rise to the existence of conditions prejudicial or in conflict with the best interest of Buyer. In particular, but without limiting the generality of the foregoing, Seller shall take or cause to be taken all necessary and proper precautions to prevent its servants, permitted agents or subcontractors from receiving from or making, providing or offering to a person who could or might be in a position to influence the decisions hereunder of Buyer with respect to the supply of Goods hereunder, a substantial gift, payment, loan or other consideration.
17. **NON-WAIVER** – A waiver of a breach of any of the provisions of this Order shall not be constructed as a waiver of any subsequent breach of so provision of or any other term or condition of this order.
18. **REMEDIES** – The rights and remedies of Buyer set forth in the Order are in addition to all other rights and remedies available to Buyer.
19. **ENTIRE AGREEMENT/CHANGE ORDER** – This Order constitutes the entire agreement between the parties and overrides and excludes previous negotiations, the Request for Quotation and any other items, oral or written, proposed by either party and not included herein amendment to this Order will be effective unless reduced to writing by means of a Change Order signed by the Buyer and accepted by the Seller.
20. **CONFLICT** – If any of these general terms and conditions are inconsistent with any terms and conditions set out on the face of this order, the latter shall, to the extent of such inconsistency, prevail.
21. **GOVERNING LAW** – The validity and interpretation of this Order shall be governed by the laws of the State in which the Order is issued.
22. **DURATION** – This Order shall apply until the expiry date specified on the face of this Order.
23. **PRICE RENEGOTIATION** – Subject to clause 6, Seller shall give Buyer no less than 30 days notice of a proposed price increase, which notice shall be supported by documentation justifying the price increase. Such increase, if agreed between Seller and Buyer, shall be effective only when effected by means of a Change Order.
24. **NON-COMMITMENT** – This Order specified the price and other terms upon which Seller offers its Goods for sale to Buyer, but does not impose any contractual obligation upon Buyer to purchase any quantity of Goods from Seller. This offer shall remain open for repetitive acceptance by Buyer for the duration of this Order.
25. **ESTIMATED PURCHASES** – From time to time Buyer may provide Seller with estimates of its proposed purchases under the Order which shall not be taken as a commitment by Buyer to purchase any stipulated quantity.

END OF DOCUMENT

REVISION No.	5	PAGE	2 of 2	ISSUE DATE	19SEP03	SECTION	4-02
--------------	---	------	--------	------------	---------	---------	------