

PURCHASE ORDER TERMS AND CONDITIONS

1. DEFINITIONS:

The following words shall have the following meanings:

"Purchaser" means MacDonald Johnston Pty. Ltd. and its successors.

"Seller" means the person, Firm or corporation from whom merchandise or services have been ordered.

2. VARIATIONS:

Any change, addition or reduction to this Purchase Order, to be binding, must be agreed to by the Purchaser in writing. Quantities in excess of that shown in this Purchase Order may be returned to Seller at Seller's risk and expense.

3. TITLE:

Title to the goods purchased by this Purchase Order passes to Purchaser at the point of shipment, freight allowed to destination, except when purchased FOB. Destination. However, in all cases, Seller must bear all risks of loss or damage in transit.

4. INSPECTION:

Seller acknowledges that the Purchaser may not perform any receiving inspection of the merchandise and as such waives any rights to require the Purchaser to conduct such inspection. Purchaser may, without limitation to its other rights under this Purchase Order, reject any goods which contain defective materials or workmanship, do not conform to the specifications, or are not as ordered. Rejected goods may be returned at Seller's risk and expense. Acceptance of any goods shall not be deemed to alter or affect the obligations of the Seller or the right of Purchaser under any other provision of this Purchase Order.

5. PACKAGING:

The Purchase Order price includes all packaging, dunnage, containers, etc. to protect the goods in transit unless otherwise stated on the face of this Purchase Order.

6. PRICING:

Seller acknowledges that the price on the Purchase Order is correct and inline with agreed pricing between the Seller and Purchaser. Seller must notify the Purchaser within 2 working days of receiving the Purchase Order any price disputes. If Seller does not notify the Purchaser of any price disputes prior to the delivery of goods and/or services then the Purchase Order price takes precedence.

7. BILLING:

Seller must provide a tax invoice in respect to all goods and services supplied under this purchase order, purchase order prices are exclusive of gst. Purchaser will pay Seller on average 30 days from the end of the month that the invoice is received.

8. INTELLECTUAL PROPERTY:

Seller warrants (a) that there has been no violation or infringement of any copyright, trade name, trademark, patent or related property right, as a result of manufacturing, producing or selling the goods and services. Seller agrees to handle all claims and suits based on any actual or alleged violation or infringement, and to defend, indemnify and hold Purchaser (and its officers, agents and employees) harmless from all claims, expenses and liabilities arising from any actual or alleged violation or infringement; (b) that goods manufactured based on Purchasers specifications and/or drawings may not be used for its own use or sold to third parties without the Purchasers written authority.

9. WARRANTY:

Seller warrants that the merchandise will conform to any applicable specifications, drawings or description furnished to or by the Purchaser and shall be of good quality and new (unless stated otherwise) and fit for the known purpose for which it is sold. This warranty is in addition to any warranty or service guarantee stated in the Purchase Order documents or as part of the MacDonald Johnston Supplier Warranty Agreement.

10. TIME:

Time is of the essence of this Purchase Order and Purchaser reserves the right to cancel this Purchase Order or any portion thereof without penalty in the event that deliveries are not made within the specified time without liability for deliveries previously made and accepted by Purchaser

11. TERMINATION:

Purchaser reserves the right to cancel this Purchase Order or any part thereof without penalty if Seller breaches any of the terms hereof.

12. COMPLIANCE WITH LAWS:

Seller agrees to observe and comply with, in the performance of this Purchase Order, all applicable federal, state and local laws, rules and regulations. Purchaser and Seller agree that this Purchase Order is made and executed in Australia and is and shall be subject to the laws of the State of Victoria.

13. ASSIGNMENT:

Neither this Purchase Order, nor any portion thereof nor any interest under it, shall be assigned by the Seller without the prior written consent of the Purchaser.

14. INSOLVENCY:

Purchaser may immediately cancel this Purchase Order without liability to Seller in any of the following or any comparable events: (a) insolvency of seller (b) appointment of a receiver or administrator for Seller.

15. INDEMNITY:

Seller agrees to indemnify and save Purchaser harmless from and against any and all demands, claims, suits. cost of defence, liabilities and other expenses for damage or damages to property or for injury or injuries to or death of any person or persons, in any ways arising from the furnishing of any goods or services provided in this Purchase Order except liability or damages arising from the sole negligence or wilful act of Purchaser, its agents, or employees.