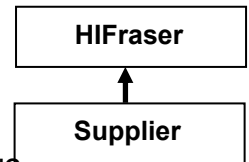


GENERAL TERMS & CONDITIONS FOR SUPPLY OF GOODS/SERVICES TO H.I.FRASER
(to be sent to Suppliers and Contractors with the RFQ or Purchase Order)



1. GENERAL

- (a) These Terms and Conditions form an integral and fundamental part of the Purchase Order and Contract for the Supply of Goods and/or Services to be received by HIFraser (hereinafter referred to as HIF) from the Supplier or Contractor (herein referred to as the Supplier).
- (b) Any additions to these General Conditions shall be in writing, signed by a duly authorised manager of HIF and included as Special Conditions in the Purchase Order and Contract.
- (c) In the event of any inconsistency between these General Conditions and any Special Conditions, the latter shall prevail.
- (d) Once the Purchase Order has been issued, any changes in HIF's requirements or any Supplier's alternative conditions or proposals must be agreed in writing and signed by a duly authorised manager of HIF.

2. PRICE BASIS

- (a) The Contract price is not subject to variation over the duration of the Purchase Order and Contract for any rise or fall in contract costs or exchange rates.
- (b) Supplier prices should include customs duty, packaging, marking, handling, freight/delivery FIS, insurance and all amounts payable for patents, copyright or royalties.

3. TAXES AND CHARGES

- (a) Supplier prices should include GST and all other Government taxes and charges (including Customs Duty and Excise on Fuel) necessary to complete the work.
- (b) Withholding Tax, if applicable, may be deducted by the Commonwealth from the Price.

4. PAYMENT OF ACCOUNTS

HIF's standard terms of payment are 30 days from acceptance of the Goods or Services and receipt of a correctly rendered invoice.

5. PERFORMANCE OF THE CONTRACT

- (a) The Contractor shall deliver the Goods or Services to HIF at the time(s) and in the manner required by the Purchase Order and Contract. The Supplier shall ensure that the Goods or Services comply with all other requirements of the Purchase Order and Contract.
- (b) HIF may reject Goods or Services which do not comply with the Purchase Order and Contract. HIF may, with reasonable notice, terminate the Purchase Order and Contract for breach of conditions of Contract.

6. WARRANTIES

- (a) The Warranty period in respect of any Goods supplied or Services provided under the Purchase Order and Contract shall commence on the day of delivery or acceptance (whichever occurs last) of the Goods or Services.
- (b) The Warranty shall be valid for 12 months or the length of the Contractor's or manufacturer's standard period, whichever is the longer.
- (c) In the event of any fault in the Goods or Services, the Supplier shall replace or make good the defective Goods or Services, including delivery and incidental costs. The Supplier may at its option, pay HIF the replacement cost.

7. INSPECTION AND QUALITY ASSURANCE

- (a) A HIF representative may be required to perform quality audit and quality surveillance, as defined in Australian/New Zealand Standard ISO 9000, at the Suppliers premises, during production and upon completion of the Goods or Services.
- (b) The Supplier shall permit an authorised HIF representative full and free access to its premises or service work areas at all reasonable times, and shall provide at its own expense such facilities and assistance as the HIF representative may require for the purpose of this clause.

8. ASSIGNMENT AND SUBCONTRACTING

- (a) The Supplier shall not assign the Purchase Order and Contract, nor subcontract any part of the Purchase Order and Contract, without the prior written consent of HIF, except for such parts of the Contract as is customary in the carrying out of similar contracts.
- (b) No assignment or subcontracting shall relieve the Supplier from any of its obligations under the Purchase Order and Contract or impose any liability upon the Commonwealth to an assignee or subcontractor.

9. TITLE, ACCEPTANCE AND RISK

- (a) Title to the Goods shall vest in HIF upon delivery to or acceptance by HIF.
- (b) The risk of any loss or damage to the Goods, or in relation to the Service, or any part thereof, shall remain with the Supplier until delivery to, or acceptance by, HIF, whichever is the longer.

10. NOTICES

Any notices, request or other communication served under the Purchase Order and Contract, shall be in writing, and delivered promptly to HIF or the Supplier at the addresses in the Purchase Order and Contract.

11. EXISTING CONTRACTS AND STANDING OFFERS

Where this Purchase Order and Contract is issued under the terms of a Standing Offer, or to extend the terms of an existing contract, the terms of that Standing Offer or contract shall prevail, except for any Special Conditions which shall take precedence.

12. INSURANCES

The Supplier will procure and maintain insurances on terms and conditions as a prudent supplier, providing similar Goods and Services, would procure and maintain.

13. INDEMNITY

The Supplier, in performing the Purchase Order and Contract, shall indemnify HIF against all claims in relation to personal injury, death, loss of or damage to property, any infringement of intellectual property rights, and any legal costs arising from such claims as they affect any employee of the Supplier, any subcontractor, any third party, and the public.

14. DISPUTE RESOLUTION

In the event of any dispute the parties agree to negotiate in good faith without prejudice to any other remedies the parties may have under the Purchase Order and Contract or in any other respect.

15. WAIVER

A waiver by HIF, or the Supplier, in respect of any breach of a condition or provision of this Contract shall not be deemed to be a waiver in respect of any other condition or provision, or of any subsequent breach.

16. APPLICABLE LAW

- (a) This Purchase Order and Contract shall be governed by and construed in accordance with the law applicable in the State or Territory in which the Purchase Order and Contract is signed on behalf of HIF.
- (b) The Supplier shall, in carrying out this Contract, comply with the provisions of any relevant statutes, regulations, by laws and requirements of any Commonwealth, State, Territory or local authority.