

1.0 Definitions

In these conditions,

"Seller" means BEC Manufacturing Pty Ltd, ABN 72 070 998 284 located at 7 Walter Cres, Lawnton, QLD, 4501, Australia.

"Customer" means the party purchasing the products and/or services the subject of a quotation, or offer made by the Seller.

"Products" means the physical goods produced by the Seller specifically for a Customer.

"Agent" means any third party providing goods or services to the Seller as part of the manufacturing capability of the Seller.

"Offer" means a request, communicated by any means by a Customer to the Seller, for the manufacture of physical goods, or provision of services within the capability of the Seller and its agents to provide.

1.1 Scope

These terms and conditions supercede all previous terms and conditions of sale imposed by the Seller. Each Order will constitute an offer by the Customer to acquire Products and services upon and subject to these Terms and Conditions to the exclusion of all other Terms and Conditions. A Contract will be made between the Seller and the Customer for the sale and purchase of all the Products only on the acceptance of an order by the Seller, which may be by delivery of all or part of the Products ordered.

2.0 Infringement of Intellectual Property

The Customer shall indemnify and save harmless the Seller from and against any claims, demands, penalties, suits costs, charges, losses, judgments and expenses to which the Seller may become wholly or partly liable for any work required to be done by the Seller or goods or materials to be supplied by the Seller in accordance with the Customer's specifications or otherwise involving an infringement or alleged infringement of any patent registered design, copyright, trademark or intellectual property.

3.0 Termination of orders

Orders cannot be countermanded, terminated, amended or cancelled except with the written consent of the Seller and upon terms that will indemnify the Seller against all loss and damage.

3.1 It is an event of termination if 1/ the Customer trades outside of, breaches or fails to observe any of, the terms of these Terms and Conditions or any credit facility provided to the Customer by the Seller; 2/ the Customer becomes insolvent; 3/ the Customer enters into bankruptcy or an administrator or receiver is appointed over any or all the business undertaking of the Customer; 4/ the Customer is served with a statutory demand pursuant to the Corporations Law, or 5/ any Guarantor of the Customer's indebtedness to the Seller revokes its guarantee.

3.2 If an event of termination as specified in clause 3.1 occurs, the Seller will have the immediate right to: 1/ payment of the full order price (by way of liquidated damages) of any Products which the Seller has commenced production against the Customer's order, and 2/ the cancellation of any Customer's order for which Products have not commenced production.

Where the supply of Product to the Customer will result in the Customer trading outside the Terms and Conditions of the Seller's credit facilities, and in particular the credit limit in force from time to time, the Seller may, among other things, refuse to supply Products to the Customer irrespective of whether an order has been accepted or not and will not be liable for any loss resulting directly or indirectly from such action.

4.0 Claim for shortage or defect

The Customer will have no claim for shortages or defects in respect of any product apparent on inspection unless a written complaint is delivered to the Seller within seven (7) working days of receipt of the Products specifying the shortage or defect. The Seller will only, at its option, accept the return of, replace Products or give credit for Products where the Customer has complied with this Clause 4.0 and the Seller is satisfied as to the claim by inspection of the Products concerned at the premises of the Seller. The costs of returning product to the Seller are to be borne by the Customer.

5.0 Delivery, Transfer of ownership and risk

Unless otherwise agreed, the Seller will arrange for delivery of the Products to the Customer at the Customer's expense. The Customer shall not be entitled to refuse delivery of the Products.

5.1 Notwithstanding delivery of the Product or any part thereof the property in the Product shall remain in the Seller until the Customer has paid the purchase price in full as well as any other payments due to the Seller hereunder. Should the Customer have on sold any of the Product without having paid for the Product in full then any sale monies received by the Customer shall be deemed to be held by the Customer in trust for the benefit of the Seller.

5.2 The goods are at the Customer's risk from the occurrence of the first in time of any of the following events:

1. The passing of property to the Customer.
2. The physical delivery by the Seller of the products to the Customer or his nominated agent.
3. The physical delivery of the products to any carrier of any bailee of the Customer whether named by the Customer or not.

6.0 Responsibility for design

The Customer accepts that the Seller shall have no responsibility for the design submitted by the Customer to the Seller for manufacture. The Seller is not responsible for checking the design of a purpose, including manufacturability, assembly and operation.

7.0 Fit for purpose

The Customer acknowledges that it has not relied upon any representation made by the Seller which has not been stated expressly in these Terms and Conditions. Any

representation, advice, recommendation, information or assistance provided by the Seller in relation to Products supplied or their use or application must not be relied upon by the Customer and the Customer acknowledges that it is the application of Products and that the Products are suitable for any particular purpose. The Customer indemnifies the Seller against all Loss incurred by the Seller in connection with any act or omission of the Customer including, but not limited to, negligence of the Customer or any unauthorised representation made or warranty given by the Customer in connection with Products.

8.0 Liability for costs of further working and use

It is the responsibility of the Customer to determine the suitability of the product for further working, re-working, assembly or use. The Customer agrees that the Seller will not be liable for costs associated with further working, re-working, assembly (including component costs) or use of Product supplied against Customer request, whether those costs are necessitated by negligence or error on the part of the Owners or Servants of the Seller or not. In the case where product is found to contain manufacturing fault(s), the Seller may, at its option and upon the return of the original Product(s) to the Seller, repair, replace or raise a credit in complete settlement of any such claim found to be valid. The total liability of the Seller is limited to the invoiced value of the product delivered by the Seller to the Customer, including costs associated with testing and delivery.

9.0 Prices, Quotes and Payment for Products

Prices for products are set in accordance with the Seller's price list which is subject to changes from time to time. The price payable is the price in effect at the time of shipment, or in accordance with a quotation specific to the particular Customer requirement. Such quotations pertain to only one shipment, and subsequent requirements for identical products may be subject to a separate quotation. Where the Customer has been granted credit facilities by the Seller, the invoiced price of Products is due and payable in accordance with the terms and conditions of the credit facilities. If credit facilities have not been granted by the Seller to the Customer, the invoiced price of Products must be paid to the Seller before delivery to the Customer. The Customer hereby charges all of his/her/their or its assets both real and personal with the payment of all monies owing to the Seller from time to time and shall provide any such security for that charge as requested by BEC or its solicitors immediately upon demand. Where the Seller has provided the Customer with a quotation in relation to the supply of products, the Seller's standard terms and conditions of quotation as in force from time to time ("the Quotation Terms") will apply in conjunction with these terms and to the extent of any inconsistency the terms of the Quotation Terms will prevail. Should there be any inconsistency between these terms and the terms contained in any credit facility provided by the Seller to the Customer then the terms of the credit facility will prevail.

10.0 Ownership and disposal of the property of the Customer held by the Seller

10.1 The Seller acknowledges that the intellectual property content of the electronic files covering Products made to Customer specification remains with the Customer. The Customer agrees that such files may be retained in various forms and in various locations by the Seller on their behalf.

10.2 The Customer acknowledges that the photo tools are usually made as part of the manufacturing of Products supplied. These photo tools are sometimes immediately destroyed, but usually retained for a period of time and then either effectively destroyed, or submitted to a contractor for disposal. Any requirement by the Customer for existing photo tools to be delivered to the Customer must be received within 180 days of the most recent delivery of corresponding Products. The Customer agrees that no claim will exist in respect to photo tools destroyed or discarded as part of any process or procedure by the Seller. Costs associated with the delivery of photo tools to the Customer are to be borne by the Customer.

11.0 Force Majeure and other calamities

The Seller will not be liable for any Loss incurred by any party as a result of delay or failure to observe any of these Terms and Conditions due to an event of force majeure, being any cause or circumstance beyond the Seller's control, or due to any failure or delay in performance caused by lack of production capacity, manufacturing machinery breakdown, failure of supply by suppliers of the Seller, shortage of raw materials or components, any strikes, floods, lock-outs, labour disputes, fires, acts of God or public enemy, malicious or accident damage, delays in transport, or restrictions or prohibitions by any government or semi-government authorities or embargoes. During the continuous of any event of force majeure or an event described in this clause the Seller's obligations under these Terms and Conditions will be suspended and will resume as soon as the cause or circumstance has ceased to have effect.

12.0 Notices

So far as it is allowed by the law or relevant court rules and regulations, the Seller may serve any notice, demand or any documents relating to any court proceedings (including an originating process) upon the Customer by any of the following methods:

1. By posting a copy of the document to the Customer's address last known to the Seller by way of prepaid post;
2. By transmitting an electronic copy of the document to the Customer's contact facsimile number or contact email address last known to the Seller;
3. By delivering, posting, or transmitting (by facsimile or email) a copy of the document to the Customer's solicitor or accountant whether or not that solicitor or accountant is acting in any matter related to the Seller or not;
4. By leaving a copy of the document with an employee / officer or any principal of the Customer; or
5. By delivering a copy of the document to the residential address last known to the Seller of an employee, officer or principal of the Customer.

13.0 Jurisdiction

The laws of Queensland shall apply to the terms of these terms and conditions of sale and all transactions howsoever arising therefrom, and any proceedings in respect of any cause of action arising out of the same shall be heard and determined in a court of competent jurisdiction in Brisbane, and such court shall be deemed to possess territorial jurisdiction to hear and determine such proceedings.