

General Conditions of Sales

1. The terms and conditions set out below shall apply without variation to every Contract entered into by Rossi Gearmotors Australia Pty. Ltd. (hereinafter called "The Company") for the sale or supply of goods or materials to any person, firm or Company (hereinafter called "The Customer") unless the variation thereto is expressly agreed to in writing by the Company. These Terms and Conditions shall apply notwithstanding any inconsistency between them and the terms and conditions of any former contract between the Customer and the Company and the Company does not recognise any Terms and Conditions produced or supplied by the Customer unless specifically acknowledged and agreed in writing as aforesaid and the execution of, compliance with or implementation of orders, does not imply acceptance of other Customer's terms and conditions. The contract for the goods or materials sold or supplied shall comprise the Customer's order and the Company's confirmation to supply given in writing.

Quotations

2. All quotations of the Company are subject to confirmation at the time of acceptance of any order. Any data and/or documents relating to a Quotation in the nature of illustrations drawings and specifications of weights and dimensions, performance and consumption or otherwise, shall be considered approximate in nature unless expressed to be accurate. The title to any Quotations, Estimates, Drawings and/or other documents shall not be disclosed to Third Parties.

Description

3. Descriptive matter published by the Company relevant to goods offered for sale or supply shall not form any part of any contract of sale for the same. All designs, drawings, descriptive matter, weights, dimensions, specifications, brochures, catalogues, price lists and advertisements appearing in such descriptive matter so published are approximate and by way of identification only and intended to give a general indication of the goods and/or services described therein and they shall not form part of any Contract or give rise to any independent or collateral liability of any kind. All designs, drawings, specifications, brochures, catalogues, price lists, advertising matter and all other descriptive matter published by the Company are the copyright of and shall remain the property of the Company and must not be copied, reproduced or divulged either directly or indirectly to any other person without the prior permission of the Company.

Prices

4. Unless fixed prices have been expressly agreed by the Company the price payable by the Customer for goods or materials sold or supplied shall be the ruling price "ex works" at the date of dispatch exclusive of costs of delivery crating and/or packaging unless otherwise stated and all prices are subject to the addition of any goods or services tax or sales tax. Delivery, packaging and crating shall be charged at cost price and are non-refundable.

Delivery date

5. Any time or date named by the Company for delivery is given and intended as an estimate only and the Company shall not be liable to make good any damage or loss whether arising directly or indirectly out of delay in delivery. Particularly, the Company shall not be liable for any delay in delivery arising from labour disputes, particularly strikes and lock-outs, or from any unforeseen circumstances beyond the control of the Company including such circumstances arising and affecting supplies to the Company. Further, failure on the part of the Customer to make timely supply to the Company of all materials and/or data as required by the Company for completion of any order placed shall nullify and render void any time or date otherwise expressly given for delivery or supply of goods so ordered.

Delivery

6. A) The goods or materials ordered by the Customer, properly packed and secured in such manner as to reach their destination in good condition under normal conditions of transport, shall be delivered by the Company at, or dispatched for delivery to, the place or places and in the manner specified in the order or as subsequently agreed.

B) The costs of such delivery shall be borne and paid for by the Customer in addition to all sums due for the price for the goods or materials so ordered and delivered and upon the terms for payment hereinafter stipulated.

C) Arrangements for payment and return of returnable wooden packing cases, skids, and drums and other reusable articles used for packing the goods will be as specified in the acceptance of any order issued by the Company.

Storage

7. If for any reason the Customer is unable to accept delivery of the goods at the time when the goods are due and ready for delivery the Company shall, if the Company's storage facilities permit, store the goods safeguard them and take all reasonable steps to prevent their deterioration until their actual delivery and the Customer shall be liable to the seller for the reasonable cost (including insurance) of the Company so doing.

Passing of property

8. A) Notwithstanding the provisions of clause 9 as to passing of risk, the goods shall remain the sole and absolute property of the Company until the Customer has paid in full the agreed price thereof and all other sums due from the Customer to the Company whether under this Contract or otherwise (including any interest thereon). Notwithstanding such retention of title the Company shall be entitled to maintain an action for the price of the goods as soon as payment falls due.

B) The Customer acknowledges that the Customer is in possession of the goods solely as bailee and in a fiduciary capacity for the Company until such time as the agreed price therefor and all other sums due from the Customer to the Company whether under this Contract or under any other Contract, have been paid in full, or the goods have been incorporated or resold in the ordinary course of the Customer's premises. Until such time the Customer will store the goods on the Customer's premises separately from other goods (including the Customer's own) and in a manner which makes them readily identifiable as belonging to the Company and shall not alter, modify or add to any such goods or any marking or identification on them and shall maintain them in good condition.

C) If payment for the goods supplied under this or any other Contract is overdue either in whole or in part the Company may (without prejudice to any of its other rights) retake possession of and/or resell any goods the title to which it has retained and the Customer hereby authorises the Company to enter upon any of the premises of the Customer for the purpose of repossessing any of the goods or materials supplied under any Contract made between the parties and in respect whereof the property therein has not passed to the Customer without liability for trespass or any resulting damage.

D) Notwithstanding any other agreement as to the terms of payment, the total invoice price shall immediately become due and payable and the Company shall have the right forthwith to terminate this Contract (without prejudice to any other of its rights) upon the occurrence of any of the events more particularly detailed in Clause 13 hereof. Upon any such termination the Company shall have such rights of repossession and resale as are set out in sub-clause (c) above.

E) Subject to the provisions of this clause and notwithstanding that the property in the goods has not passed the Customer may resell the goods in the ordinary course of its business.

F) Where the Customer resells the goods before title thereto has passed, the Customer shall sell as agent for the Company pending payment of all sums due to the Company hereunder or under any other contract with the Company and shall keep the proceeds of sale (less the Customer's profit margin) in a separate account not using the same and holding the same on trust for the Company. Notwithstanding the provisions of this sub-clause in relation to a third party the Customer shall sell only as a principal.

G) The Customer shall not in any circumstances place the proceeds of sale of goods supplied by the Company in any overdrawn bank account so long as any sum payable to the Company in respect thereof remains outstanding.

Risk

9. Risk in respect of goods shall pass upon delivery. Where goods are delivered by the Company by its own transport delivery shall be deemed to take place at the moment the goods are lifted from the delivery vehicle. Where goods are delivered by other means of transport delivery shall be deemed to have taken place when the goods are loaded onto the road or rail or other vehicle or means of transport used for such delivery.

Damage or loss in transit

10. The Company will repair or replace, free of charge, goods damaged or lost in transit provided the Customer shall give to the Company written notification of such damage or loss within such time as will enable the Company to comply with the carrier's conditions of carriage as affecting loss or damage in transit, or where delivery is made by the Company's own transport, within a reasonable time, and in any event where delivery is made by the Company's own transport within such time as shall enable the Company to comply with any requirement or condition of the Company's insurance policy covering such damage or loss and unless the Customer shall have actual notice of such conditions or requirements, the time for giving such written notification by the Customer shall not be later than forty-eight hours from delivery and time shall be of the essence.

Force majeure

11. In the event of war, invasion, act of foreign enemy, hostilities (whether war has been declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, act of God, force majeure, epidemic or any other matter or occurrence beyond the control of the Company or the failure on the part of the Customer to make due and timely supply of all materials and/or data and specifications as may be required and agreed as a term of the acceptance of any order by the Company, the Company shall be relieved of all liabilities incurred under this Contract wherever and to the extent to which the fulfillment of such obligations is prevented, frustrated or impeded as a consequence of any such event or by any Statute Rules Regulations Orders or Requisitions issued by any Government Department Council or other duly constituted authority or from strikes, lock-outs or other withdrawal of labour force, breakdown of plant or any other causes (whether or not of a like nature) beyond the Company's control.

Partial completion

12. In the case of partial completion of an order accepted by the Company the Company shall be entitled to a quantum meruit in respect of all work done by it without prejudice to its rights should non-completion be occasioned by the Customer and in particular in the event of the Customer canceling an order without good reason the Company reserves the right to invoice the Customer upon the aforementioned quantum meruit basis in respect of the following specific items:-

A) The cost, calculated pro rata, of any materials utilised and of works accomplished in fulfilling the order to the date of such cancellation.

B) The increased expenditure accruing to the Company arising from the purchaser's cancellation.

C) A further sum calculated at the rate of 10% of the difference between the total value of the order placed by the Customer and so cancelled and the amount calculated under the provisions of sub-clause (A) above.

Determination

13. If the Customer shall make default in or commit any breach of any of the Customer's obligations to the Company or if any distress or execution shall be levied upon the Customer his or her property or assets or if the Customer shall make or offer to make any arrangements or compromise with creditors or commit any act of bankruptcy, or if any Petition or Notice in bankruptcy shall be presented or made against the

Customer or if the Customer shall be a limited Company and any Resolution or Petition to wind-up such company's business shall be passed or presented otherwise than for reconstruction or amalgamation, or if a Receiver of such company's undertaking property or assets or any part thereof shall be appointed the Company shall have the right forthwith to determine any order then subsisting and upon written notice of such determination being posted by it to the Customer's last known address any subsisting order shall be deemed to have been determined without prejudice to any claim or right the Company might otherwise make or exercise.

Replacement of faulty goods

14. A) Subject as herein otherwise provided the Company guarantees all products of its manufacture against any defect which are and can be shown to the Company's satisfaction to have been caused by reason only of the use of defective materials or by reason of faulty workmanship and which appears and arises within a period of 12 months from the date of dispatch provided that the Customer has notified the Company in writing of the fault within that period.

B) Should such defect appear and be notified within such period the Company's liability for a breach of a condition or warranty implied by Division 2 of Part V of the Trade Practices Act 1974 (other than section 69) is hereby limited under section 74H of the Trade Practices Act 1975 to a liability to pay to the Customer an amount equal to the cost of replacing the defective goods or parts; the cost of obtaining equivalent goods or parts; or the cost of having the goods repaired, whichever is the lowest amount and such guarantee shall extend only as to the cost of any defective material or materials utilised in such repair, to labour, dismantling and re-assembly or the transportation of personnel of the Company to the premises of the Company which shall be borne by the Customer.

C) The Company shall not be liable for any such defect in any circumstances if (i) the goods or part of the goods supplied have been the subject of abuse or misuse and such abuse or misuse is to be deemed to include the use of any such goods supplied or parts thereof otherwise than for the purpose for which they are intended or otherwise than in the fashion specified by the Company or any modification and/or repair carried out in respect thereof or dismantling thereof otherwise than in accordance with the specifications of the Company, (ii) the goods supplied have been subjected to unsuitable storage, treatment or handling prior to use or to abnormal use or to use under abnormal conditions or beyond their capacity as rated and recommended by the Company or (iii) the defect has been caused or contributed to by exposure to direct weather conditions (whether before or after installation), or by operation in abnormal atmospheric conditions or by reason of faulty installation, servicing or repair of the goods by any person other than a duly authorised representative of the Company or (iv) the Customer fails as soon as possible after the assumed defect has become apparent to notify that defect to the Company in writing quoting the Company's reference number if any and the date of purchase of the goods alleged to be defective.

D) Entirely at the Customer's risk any repair or examination of defective goods or parts may be carried out at the Company's premises but in which event the Customer shall bear the expense and at the Customer's own risk as to adequate packaging arrange for the return of them to the Company and the subsequent expenses of redelivery to the Customer.

E) The decision of the Company is final as to whether or not a defect is due to faulty workmanship or material.

F) If in the opinion of the Company the goods are satisfactory in operation or if defective, then defective only as a result of circumstances for which the Company is not liable hereunder or as a result of fair wear and tear the Customer shall be required by the Company pay a reasonable charge for the examination of the goods by the Company and any cost of returning the goods to the Customer. In such case the Company shall submit to the Customer a quotation for repair of the goods before effecting any repair.

G) The Company shall not in any case be liable under this clause or at all in respect of any goods not of the Company's manufacture although the Company will do all that is reasonable at the Customer's expense to secure the benefit (with corresponding liabilities) to the Customer of any right which the Company may have against the supplier of such goods but not so as to impose upon the Company a greater liability than will be imposed by its own guarantee herein contained.

H) Except as expressly provided in sub-clause (a) (b) and (c) of this clause and except where the absolute prohibitions against exclusion and restriction of liability contained in the Trade Practices Act 1975 apply, the Company shall under no circumstances be liable to the Customer in respect of any loss damage or injury of any kind (which for the avoidance of doubt includes consequential loss or damage) whether suffered by the Customer or any other party and howsoever caused (including being caused by any defect in failure of or unsuitability for any purpose of the goods or by any negligence

whether in relation to design or manufacture of the goods or at all) and all conditions warranties or other terms whether expressed or implied statutory or otherwise are hereby excluded.

I) The Company shall not be liable for any loss of any kind (which for the avoidance of doubt includes consequential loss or damage) arising from any representations statements warranties recommendations or advice made or given before the making of this Contract.

J) The expression "consequential loss" shall be deemed to include loss of profits, loss of business revenues, loss of user or loss of goodwill whether of the Customer or of any other party.

K) Notwithstanding the foregoing clauses or sub-clauses of these conditions, the liability of the Company in respect of any claim shall in any event be limited to (\$50,000) Fifty Thousand Dollars.

Acceptance

15. The Customer shall inspect the goods or materials immediately upon the delivery thereof and shall within 15 days from such inspection give notice to the Company of any matter or thing by reason whereof the Customer alleges the goods or materials are not in accordance with the contract between the parties. If the Customer shall fail to give such notice the goods or materials so supplied shall be deemed to be in all respects in accordance with the contract and the Customer shall be bound to accept and pay for the same accordingly and in compliance with the terms and conditions herein contained as to payment for goods or materials supplied.

Payment

16. A) The Customer shall pay the Company for goods and materials supplied 30 days from the date of invoice or subject to the terms printed on the invoice.

B) Time of payment shall be of the essence of the Contract.

C) In the case of goods or materials sold by installments, each installment shall be paid for separately and, accordingly, the provisions of this clause shall apply to each installment.

D) If for any reason whatsoever payment is not made by the due date then the Customer shall be liable to pay interest on the amount unpaid at the rate of 3% per annum above the Company's bankers overdraft rate for such an amount for the time being in force from the due date until actual payment.

E) Failure by the Customer to make any payment hereunder by the due date shall entitle the Company at its option to cancel or suspend any contract and without prejudice to any other rights the Company may have against the Customer. Any discount allowed by the Company will be shown on the invoice. In the event of default of payment by the due date the Company reserves the right to disallow any discount and to suspend delivery or terminate the Contract in respect of any undelivered goods.

Jurisdiction

17. The Contract between the Company and the Customer shall be deemed to have been made in Western Australia and in accordance with the Laws of Western Australia and shall be governed in all respects by Western Australian law and the Customer hereby submits to the jurisdiction of the Western Australian Courts.