

Innowood Australia Pty Ltd (“Innowood”)

ABN: 44 143 723 933

STANDARD TERM & CONDITIONS OF TRADE

These are the entire Standard Terms and Conditions of Sale for the goods supplied by Innowood on or after 15th July, 2011 to customers within Australia or export customers outside Australia (the “Customer”).

1 Definitions

Under these terms, unless the context otherwise requires:

“Innowood” means Innowood Australia Pty Ltd;

“Customer” means the Customer as specified in the Account Application and any Quotations provided to prospective Customers; “Sales Order” means Innowood’s Sales Order Confirmation for the supply of the Goods to an existing or prospective customer;

“Goods” means the goods sold and purchased or agreed to be sold and purchased, pursuant to the Quotation; “Order” means the Customer’s instructions to Innowood to supply the Goods, pursuant to Quotation;

“Default Event” means any of the following:

- a. the customer does not make a payment due to Innowood;
- b. the customer is unable to pay its debts as and when they fall due (insolvent);
- c. the customer ceases or suspends to conduct its business, or threatens to do the same;
- d. a resolution passed or proposed or an order made or a summons is presented to wind up the customer;
- e. a receiver and / or manager or other form of insolvency administrator is appointed over all or part of the customer’s assets;
- f. the customer makes or proposes to make any arrangement with its creditors;
- g. the customer commits an act of bankruptcy;
- h. execution is levied on any of the customers assets.

2 Application and acknowledges

2.1 All orders placed with Innowood shall only be accepted subject to these Terms and Conditions of Trade. Innowood may at any time, and from time to time, alter these Terms and Conditions and such altered Terms and Conditions of Trade shall apply after notification by Innowood to the Customer.

2.2 The Customer acknowledges that:

- a. it has not relied on any service involving skill and judgement, or on any advice, recommendation, information or assistance provided by Innowood Australia Pty Ltd in relation to the goods or their use or application;
- b. it has the sole responsibility of satisfying itself that the goods are suitable for the use of the Customer or any contemplated use by the Customer, whether or not such use is known by Innowood Australia Pty Ltd;
- c. any description of the goods provided on Innowood Australia Pty Ltd 's website, in any brochure or catalogue or other marketing brochure, or in a quotation or invoice is given by way of identification only and the use of such description does not constitute a contract of sale by description.

3 Payment, Passing of Property, Credit and Prices

3.1 The Customer shall pay for the Goods in Australian currency, unless Sales Order Confirmation states otherwise, at the price specified in the Sales Order Confirmation.

3.2 Unless otherwise stated, the prices for the Goods sold by Innowood pursuant to a Customer order are expressed on a GST exclusive basis.

3.3 Where GST is applicable on any supply of goods made by Innowood to the Customer, then the Customer must pay the GST exclusive price plus GST.

3.4 The Customer must pay for the Goods without deduction or set-off, whether legal or equitable, by the date stated on the invoice issued by Innowood;

3.5 Payment by cheque is not deemed made until the proceeds of the cheque have cleared.

3.6 If the Customer defaults in payment by the due date of any amount payable to Innowood Australia Pty Ltd, then all money which would become payable by the Customer to Innowood Australia Pty Ltd at a later date on any account, becomes immediately due and payable without the requirement of any notice to the Customer, and Innowood Australia Pty Ltd may, without prejudice to any other remedy available to it:

- a. Charge the Customer interest on any sum due at the rate of 1.5% per month on the outstanding balance for the period from the due date until the date of payment in full;
- b. Charge the Customer for, and the Customer must indemnify Innowood Australia Pty Ltd from, all costs and expenses (including without limitation all legal costs, collection agency costs and expenses) incurred by it resulting from the default or in taking action to enforce compliance with the Terms or to recover any goods;
- c. Innowood may withhold further deliveries of Goods and/or withdraw any credit facilities; and
- d. Cease or suspend for such period as Innowood Australia Pty Ltd thinks fit, supply of any further goods to the Customer; and
- e. By notice in writing to the Customer, terminate any agreement with the Customer so far as unperformed by Innowood Australia Pty Ltd; without effect on the accrued rights of Innowood Australia Pty Ltd under any agreement.

3.7 Clauses 3.6(c) and (d) and clause 3.8 (e) may also be relied upon, at the option of Innowood Australia Pty Ltd:

- a. where the Customer is an individual and becomes bankrupt or enters into any scheme of arrangement or any assignment or composition with or for the benefit of his or her creditors or any class of his or her creditors generally; or
- b. where the Customer is a corporation and, it enters into any scheme of arrangement or any assignment or composition with or for the benefit of its creditors or any class of its creditors generally, or has a liquidator, provisional liquidator, administrator, receiver or receiver and manager appointed, or any action is taken for, or with the view to, the liquidation (including provisional liquidation), winding up or dissolution without winding up of the Customer.

3.8 Until full payment in cleared funds is received by Innowood Australia Pty Ltd for all goods supplied by it to the Customer, as well as all other amounts owing to Innowood Australia Pty Ltd by the Customer:

- a. title and property in all goods remain vested in Innowood Australia Pty Ltd and does not pass to the Customer;
- b. the Customer must hold the goods as fiduciary bailee and agent for Innowood Australia Pty Ltd;
- c. the Customer must keep the goods separate from its goods and maintain the labelling of Innowood Australia Pty Ltd;
- d. the Customer is required to hold the proceeds of any sale of the goods on trust for Innowood Australia Pty Ltd in a separate account however failure to do so will not affect the Customer’s obligation to deal with the proceeds as trustee;

- e. Innowood Australia Pty Ltd may without notice, enter any premises where it suspects the goods may be and remove them, notwithstanding that they may have been attached to other goods not the property of Innowood Australia Pty Ltd, and for this purpose the Customer irrevocably licences Innowood Australia Pty Ltd to enter such premises and also indemnifies Innowood Australia Pty Ltd from and against all costs, claims, demands or actions by any party arising from such action.
- 3.9 Amount of the Goods in excess of the Approved Credit Limit must be payable prior to delivery.
- 3.10 If the total quantity of any special ordered item (non-stock item) supplied $\pm 10\%$ includes over/under deliveries, the customer will be invoiced and must pay for the over/under as a whole quantity.
- 3.11 Interest is charged on amounts outstanding after their due dates at the statutory interest rate payable for judgement debts of the District Court of New South Wales;
- 3.12 All prices shall be those referred to in Innowood's price lists and/or arrangements current at the date of invoice and prices shall be subject to change without notice.

4 Delivery, Warranty and Return

- 4.1 Unless otherwise agreed, Innowood will deliver the Goods to the Customer's premises or delivery address as specified by the Customer in the order.
- 4.2 The Customer shall pay the cost of delivery unless stated otherwise in the Sales Order Confirmation.
- 4.3 If the Goods are sold ex – Innowood store, the Customer must, at its own cost and risk, collect the Goods within reasonable time.
- 4.4 Delivery is complete when the Goods are unloaded from the delivery vehicle. Unloading of the Goods will be at the Customer's cost and risk.
- 4.5 Where the Customer or its agent is unavailable to sign or does not sign the delivery docket provided by Innowood. Then the Innowood driver's delivery record will be conclusive evidence of the delivery at the time and location specified in that record.
- 4.6 Any period or date for delivery of goods stated by Innowood Australia Pty Ltd is intended as an estimate only and is not a contractual commitment. Innowood Australia Pty Ltd will use its reasonable endeavours to meet any estimated dates for delivery of the goods but will, in no circumstances whatsoever, be liable for any loss or damage suffered by the Customer or any third party for failure to meet any estimated date.
- 4.7 If Innowood fails to deliver a portion of the Goods by the estimated date or to deliver at all, the Customer is not entitled to terminate and refuse delivery of the balance of the Goods.
- 4.8 Any extra carrier charges due to difficult access, wrong instructions provided by the Customer, frustrated delivery, or the requirement for extra personnel, will be charged to Customer at cost plus a 20% service fee plus GST charged by Innowood Australia Pty Ltd.
- 4.9 If Innowood Australia Pty Ltd does not receive forwarding instructions sufficient to enable it to dispatch the goods within 14 days of notification that the goods are ready, the Customer shall be deemed to have taken delivery of the goods from such date. The Customer shall be liable for storage charges calculated daily and payable monthly on demand.
- 4.10 Where it is necessary for Innowood Australia Pty Ltd to deliver the goods in other than a fully assembled condition (which facts will be stated in the sales Order Confirmation), the cost and responsibility of assembly and installation will fall to the Customer, unless otherwise specified in Innowood Australia Pty Ltd's Sales Order confirmation.
- 4.11 Nothing in the Terms is to be interpreted as excluding, restricting or modifying or having the effect of excluding, restricting or modifying the application of any State or Federal legislation applicable to the sale of goods or supply of services which cannot be excluded, restricted or modified.
- 4.12 If any goods are defective, damaged or faulty, the Customer must within 7 days after receipt the Goods notify Innowood Australia Pty Ltd in writing;
 - a. if there is damage to the goods;
 - b. that the wrong goods have been received;
 - c. that the quantity of the goods is incorrect; or
 - d. the goods do not meet specifications.
- 4.13 Innowood is given a reasonable opportunity to investigate the claim. Goods may only be returned to Innowood Australia Pty Ltd:
 - a. if the request to return is made in writing within 7 days after receipt the good to Innowood Australia Pty Ltd, stating reason for the requested return;
 - b. with the prior written consent of Innowood Australia Pty Ltd;
 - c. if the goods are not customised in any way or produced to a Customer specification;
 - d. if the Customer pays for all transport and handling costs to Innowood Australia Pty Ltd's warehouse;
 - e. if the goods are accompanied by a copy of the original delivery docket or copy of invoice;
 - f. following the acceptance of the return by Innowood Australia Pty Ltd, the payment by the Customer of a restocking and handling charge of 15% of the invoice value, except where the wrong goods were delivered by Innowood Australia Pty Ltd, in which case there will be no restocking or handling charge; and if the goods are in an undamaged or unsoiled condition and in the original packaging, unless with the prior written consent of Innowood Australia Pty Ltd.
 - g. Except as specifically set out herein, or contained in any warranty statement provided with the goods, any term, condition or warranty in respect of the quality, merchantability, fitness for purpose, condition, description, assembly, manufacture, design or performance of the goods, whether implied by statute, common law, trade usage, custom or otherwise, is hereby expressly excluded.
- 4.14 Acceptance of any liability is subject to Innowood Australia Pty Ltd being satisfied with the testing results of the goods providing the defect, damage or fault. Innowood Australia Pty Ltd accepts no liability where the defect, damage or fault is caused by the actions or omissions of the Customer.
- 4.15 Notwithstanding, Innowood Australia Pty Ltd may, upon reasonable notice, enter any premises where the goods are located, for the purposes of inspecting, testing and/or taking samples of the goods for testing.
- 4.16 Except as specifically set out herein, or contained in any warranty statement provided with the goods, any term, condition or warranty in respect of the quality, merchantability, fitness for purpose, condition, description, assembly, manufacture, design or performance of the goods, whether implied by statute, common law, trade usage, custom or otherwise, is hereby expressly excluded.
- 4.17 Replacement or repair of the goods at Innowood Australia Pty Ltd's sole discretion, is the absolute limit of Innowood Australia Pty Ltd's liability howsoever arising under or in connection with the sale, use of, storage or any other dealings with the goods by the Customer or any third party.

4.18 Innowood Australia Pty Ltd is not liable for any indirect or consequential losses or expenses suffered by the Customer or any third party, howsoever caused, including but not limited to loss of turnover, profits, business or goodwill or any liability to any other party.

5 Progress Payments for Construction Work

- 5.1 All Construction Work undertaken by Innowood on behalf of the Customer shall be governed by the "Building and Construction Industry Security of Payment Act (1999) NSW";
- 5.2 Under Section 8 of the Building and Construction Industry Security of Payment Act (1999) Innowood shall be entitled to receive and recover progress payments in relation to the Goods supplied and/or work carried out on the premises of the Customer, or their agent;
- 5.3 The amount recoverable will be the proportion of Goods supplied and/or work undertaken in accordance with the contract price of the entire project;
- 5.4 Any Goods supplied and/or installed on a construction project which have been fabricated to custom specifications will require payment in full even if the order is cancelled within the 7 day period stated in Clause 3.

6 Retention of Title

- 6.1 Title to Goods remains with Innowood until the customer pays to Innowood all amounts the Customer owes to Innowood
- 6.2 While the Customer retains title to Goods:
 - a. on reasonable notice, Innowood may enter premises where the Goods are stored to inspect;
 - b. The Customer may sell the Goods in the ordinary course at full market value, until a default event occurs
- 6.3 Until the Customer pays all amounts it owes Innowood, the Customer:
 - a. must store the Goods in a safe and secure manner that identifies them as Innowood's goods, distinguishable from other goods in the Customer's possession
 - b. acknowledges that it holds the Goods as Innowood's Bailee and that a fiduciary relationship exists with Innowood; and
 - c. must hold the proceeds from any sales of the Goods on trust for Innowood and clearly identify these amounts in accounts
- 6.4 If a Default Event occurs:
 - a. the Customer's right to sell the Goods immediately terminates; and
 - b. without notice to the Customer and without prejudice to any of its other rights, Innowood may recover and/or resell the Goods unpaid for and may enter the Customer's premises by its servants or agents for that purpose. The Customer shall indemnify Innowood for all its claims, actions, suits, demands, and other costs or damages to or arising out of such entry.

7 Tolerances

- 7.1 Each Innowood invoice shall be prima facie evidence of classification, numbers and measurements of the Goods delivered.
- 7.2 The Goods will be supplied with the tolerances as to quality, dimensions, weight, gauge, chemical composition, physical properties, finish, shearing and degree of flatness specified:
 - a. if such tolerances are not specified, as per Innowood's standard manufacturing tolerances.

8 Limitation of Liability

- 8.1 Except as set out in paragraph 6.1 and 6.3 Innowood: excludes all conditions and warranties in relation to the Goods whether imposed or implied by statute or otherwise; Innowood will not be liable to the Customer for any loss caused wholly or partly by or arising out of any use of the Goods or any defect resulting from normal wear and tear or accident, misuse or other unsuitable or unauthorised use of the Goods, negligence or error in storing, maintaining or handling the Goods, incorrect installation or assembly of the Goods where Innowood has not installed or assembled such Goods, modifications or changes to the Goods without Innowood's prior written authorization or any other unauthorized act or fault by the Customer or a third party.
- 8.2 These terms includes terms implied by any statute which cannot be lawfully excluded including those implied by Division 2 of the Trade Practices Act and, if applicable, the Fair Trading Act (NSW) and the Sale of Goods Act (NSW). These terms specifically exclude the Sale of Goods (Vienna Convention) Act (NSW), in relation to the supply of goods and services that are not ordinarily acquired for personal, domestic or household use or consumption. Innowood's liability for breach of those terms (other than Section 69 of the Trade Practices Act, NSW) will be limited, at its option, to any or more of:
 - a. in the case of goods, the replacement, repair or payment of the cost of replacement or repair of the goods; and
 - b. in the case of services, supplying the services again or payment of the cost of having the services supplied again
- 8.3 To the fullest extent permissible. Innowood and its officers, employees or agent will not be responsible for any claims or demands of any nature whatsoever arising from the supply of Goods to the customer caused in whole or in part by any acts or omissions of Innowood, its employees or agents including, but not limited to, the injury or death of any person or damage to any property.

9 Stocking

- 9.1 If the Customer does not collect or accept delivery of the Goods within 14 days of the Goods becoming available for delivery, Innowood may:
 - a. deliver the Goods to the Customer, in which case the delivery will be taken as a delivery pursuant to these terms; or
 - b. treat the Customer as having cancelled the Order
- 9.2 The Customer is aware of moisture trapped between the articles when stored may lead to staining or soiling which is not easily removed. Innowood will not be liable for any loss or damage the customer sustains arising out of anything referred to in this paragraph 7 and will not be required to remove any stains or soiling.
- 9.3 If the Customer requests a deferment of delivery of Goods and Innowood agrees to defer delivery, the Customer must pay the storage fee Innowood specifies.

10 Cancellation and Variations

- 10.1 Innowood will not accept alterations to Orders that are in production or completed
- 10.2 If the Customer cancels all or part of an Order:
 - a. before Innowood has started production of the Goods and/or tooling, the Customer must pay Innowood as liquidated damages an amount equal to 10% of the price of the Goods and / or tooling, or
 - b. after Innowood has started producing the Goods and / or tooling, the Customer must pay Innowood as liquidated damages the full price of the Goods and / or tooling cancelled, less the current scrap value of the Goods as determined by Innowood.

11 Equipment

- 11.1 Any equipment (means dies, tools and other equipment) including all intellectual property in or relating to the goods which Innowood

makes or obtains in order to produce the Goods for the Customer, unless otherwise agreed:

- a. shall be and remain the sole property of Innowood and the Innowood is not required to deliver such equipment to the Customer or part with possession of it. This applies even where the purchaser has contributed to the cost of development and manufacture of the equipment;
- b. Where Innowood has agreed that particular items of equipment will be used only for the manufacture of goods for the purchaser, Innowood will not use that equipment to manufacture goods for third parties or sell to third parties products manufactured from the equipment unless:
 - i. The Customer has authorized such use or sales or
 - ii. The Customer has not, for a period of 24 consecutive months, purchased from Innowood any goods manufactured from the equipment or
 - iii. The Customer is in default of payment.

11.2 If the Customer does not use the dies, tools or other equipment exclusive to a particular customer for a period of twenty four (24) months, Innowood may scrap such dies, tools or other equipment. If the Customer places an Order requiring the use of such dies, tools or other equipment after they have been scrapped by Innowood pursuant to this clause, then such Order shall be deemed to be a new Order, and any dies, tools or other equipment made to supply that Order shall be paid for by the customer at Innowood's then current charges.

12 Indemnity

12.1 The Customer must indemnify Innowood against all damages, losses and expenses arising out of claims made against Innowood that the Goods, their method of manufacture or their design infringe any industrial or intellectual property rights.

12.2 The Customer shall not obtain any rights in any patent or design used by Innowood in manufacturing the goods by reason only of these terms.

13 Force Majeure

Innowood shall not be liable for any delay or failure to perform or comply with any of these terms if that failure arises from any circumstances beyond the control of Innowood or without limiting the foregoing, from lockouts, strikes and other labour disturbances (the settlement of which shall be at the discretion of Innowood if it is a part thereof), acts of God or the public enemy, piracy, war, riot, civil commotion, acts of government agencies, earthquake, storm, fire, lightning, unavailability of insurance at reasonable cost and non-delivery of materials from Innowood's usual sources of supply.

14 Special Conditions

14.1 The waiver by Innowood of any provision or breach of any provision of these terms shall not be construed as a waiver of any other provision or subsequent breach of the same or any provision of these terms.

14.2 Unless Innowood agrees in writing to the contrary, these terms prevail over the terms of the Customer's Order.

14.3 These terms must be construed according to the laws of New South Wales. The Customer accepts the non-exclusive jurisdiction of the courts of New South Wales, Australia.

THE PROSPECTIVE CUSTOMER MUST READ AND UNDERSTAND THESE TERMS AND CONDITIONS.