

1. Incorporation

- 1.1 These terms and conditions between Renold New Zealand Limited (referred to herein as "we" or "us") and the customer (referred to herein as "the customer") shall apply to all orders for "goods" which shall mean power transmission materials or parts or machinery and "services" which shall mean labour time in the repair or servicing or installation of goods.
- 1.2 Any contract of sale, order, or quotation made or accepted by or on behalf of us will be subject to these terms and conditions of sale.
- 1.3 Any terms or conditions put forward by the customer, whether in a purchase order, specification or otherwise, will not be binding on us in so far as they purport to amend, annul or augment any of these terms and conditions unless specifically agreed to in writing by us.

2. Prices

- 2.1 Prices are for goods ex-store and are subject to alteration without notice if we suffer any cost increases which are beyond our control including currency changes, taxation and duties or an increase in the cost of imported parts, or if the customer varies or alters the requirements of the goods or services. All orders are accepted on the understanding that prices are those published by us and ruling at date of despatch unless otherwise agreed in writing in a quotation by us.
- 2.2 No quotation will constitute an offer unless signed by us and we may withdraw any quotation before the customer confirms its acceptance by signing the order.
- 2.3 Prices quoted do not include GST, insurance, freight or other handling charges which shall be invoiced by us in accordance with clause 3.1 below.
- 2.4 The price of labour and parts for repair or installation of goods or the removal of redundant parts or equipment will be given by us as an estimate, which may include the cost of subcontractors or agents used by us to undertake the work on our behalf. The final price shall be that contained on the invoice given by us which may be varied or altered from the estimate if we provide substantial evidence of any cost increases outside of our control, including but not limited to delay caused by the customer or its agents where we have presented ourselves at a time agreed to undertake the work, and the customer shall accept these costs as the final price.

3. Payment

- 3.1 Payment in full must be made within 20 days of invoice date or by other terms agreed in the quotation. No discount will be given for early payment.
- 3.2 Goods are despatched on or before the date of invoice and we accept no responsibility for delays in transit.
- 3.3 If at any time we reasonably deem the credit of the customer to be unsatisfactory, we may require the customer to provide, at the customer's cost, security for payment and/or we may require the customer to pay all costs incurred as a result of suspension and re-commencement of supply.
- 3.4 If any payment is overdue we will be entitled to suspend or cancel work (including despatch) on other orders from the customer without prejudice to any other right or remedy available to us, including the right to receive payment for work already carried out and the right to recover the sum unpaid on any previous order.
- 3.5 The customer will make payment of all amounts due to us without any delay or deduction whether by way of set-off, counterclaim or otherwise.
- 3.6 We reserve the right to charge up to 2.5% interest per month on late payment.

4. Title

- 4.1 The customer agrees that property in the goods shall not pass until:
 - (a) the customer has paid all amounts owing for the particular goods;
 - (b) the customer has met all other obligations of the customer to us in respect of the goods.
- 4.2 By accepting delivery of the goods, the customer agrees:
 - (a) that these terms constitute a security agreement for the purposes of section 36 of the Personal Property Securities Act 1999 (PPSA);
 - (b) that a security interest exists in all goods (and their proceeds) previously supplied by us to the customer (if any) and the customer grants a security interest in all goods (and their proceeds) supplied in the future by us to the customer;
 - (c) to keep full and complete records of the goods until payment in full;
 - (d) to return the goods if requested to do so by us following non-payment of any amount due to us under these terms or non-fulfillment of any other obligation of the customer under these terms, without prejudice to our other rights and remedies;
 - (e) that it has received value as at the date of first delivery of the goods and has not agreed to postpone the time for attachment of the security interest granted to us under these terms and conditions;
 - (f) to irrevocably consent to us, and our agents, without notice and without in any way being liable to any person, entering on to any premises where we reasonably believe that goods we have supplied to the customer are situated for the purposes of inspecting, stock-taking or, in the event that any amount owing to us becomes due and payable, reclaiming any goods in the customer's possession or control (including any goods that have become an accession under the PPSA) and to dispose of them or retain them for our benefit;
 - (g) to keep the goods free and clear of all liens, claims, taxes, charges, pledges, encumbrances, or adverse claims of any nature;
 - (h) that it will not register or allow any person to register a financing change statement or a change demand in respect of the goods;
 - (i) that it will execute all such further documents and do all such further acts and things as we may reasonably require for the purpose of registering a financing statement or financing change statement on the Personal Property Securities Register;
 - (j) that its proper legal name appears below and it will not change its name, address or contact details without providing us with 30 days prior written notice;
 - (k) to waive its rights under the PPSA to:
 - (i) receive a copy of any verification statement;
 - (ii) receive a copy of any financing change statement;
 - (iii) receive any notice that we intend to sell the goods or to retain the goods on enforcement of the security interest granted to us under these terms and conditions;
 - (iv) object to a proposal by us to retain the goods in satisfaction of any obligation owed by the customer to us;
 - (v) receive a statement of account on sale of the goods;
 - (vi) retain the goods; and
 - (vii) where any goods become an accession, not have any goods damaged when we remove the accession, to receive notice of removal of the accession and to apply to the court for an order concerning the removal of the accession; and
 - (l) not to give us a written demand or allow any other person to give us a written demand requiring us to register a financing change statement under the PPSA or enter into or allow any other person to enter into the Personal Property Securities Register a financing change statement under the PPSA.

4.3 Terms defined in the PPSA have the same meaning in these terms and conditions.

4.4 Where we supply services to the customer, the customer agrees that we have legal and equitable title to the customer's goods or machinery that has been serviced at a value equal to the contribution of the services to the value of the customer's goods or machinery or property until the customer pays for the services in full without deduction or set-off.

4.5 Delivery by us to a carrier accepted by the customer or delivery from our premises when we advise we are ready to deliver constitutes delivery. The risk in the goods will pass to the customer upon the goods being loaded onto transport, except where delivered by our own transport when risk will pass on delivery of the goods to the place designated by the customer.

4.6 Goods may be delivered in installments and in such case each delivery will be regarded as a separate contract, subject to the same payment terms. Failure or delay by us in making delivery at a specified time of one or more instalments shall not cancel or repudiate the contract.

4.7 Insurance and the cost of carriage of the goods ex-store to the place of delivery designated by the customer will be to the customer's account and the customer will not hold us responsible for any loss or damage that may occur while the goods are under the risk of the customer.

4.8 When goods are stored by us at the request of or fault of the customer after the goods are ready for despatch, the customer will pay all applicable storage, transport and other charges. Storage will not entitle the customer to postpone payment of any sums due to us.

5. Non-Delivery and Shortage

5.1 We will make every reasonable effort to meet quoted despatch dates but we will not be liable to the customer for any loss or damage whatsoever (including consequential loss) caused by a delay in or prevention of despatch of goods, including delays in repair, installation or removal of goods at the customer's site. The term "consequential loss" includes, but is not limited to, loss of profit, loss of production, loss or use of revenue, cost of capital, loss of or damage to property or equipment, and loss of reputation.

5.2 The customer will be deemed to have accepted delivery of goods referred to in any invoice or advice note unless the customer makes a claim to us within thirty (30) days from the date of the invoice or advice note, except when part of the goods referred to therein are received by the customer, in which case any claim with respect to the goods not received in accordance with the invoice or advice note must be made within three days of the short delivery.

5.3 We will not accept liability for any damage to goods while in transit at our risk or other discrepancies between invoice particulars and goods received unless such damage or discrepancy is reported to us within three days of receipt of the goods.

6. Warranty

6.1 Subject to the Consumer Guarantees Act 1993, we warrant goods of our own manufacture in accordance with the Warranty Schedule.

6.2 We warrant that we will supply goods in accordance with the descriptions contained in the Description of Conditions in the Quotation and Warranty Schedule, but subject to clause 6.3 below, we will not be held responsible for the fitness of the goods.

6.3 Notwithstanding clause 6.2, but subject to the conditions contained in the Warranty Schedule, during the warranty period, we will replace, or at our option repair, goods supplied under this contract that are defective and make good any defect in workmanship, supply, installation or repair, provided that the customer notifies us in writing of any such defect within thirty (30) days of defect becoming apparent.

6.4 Any parts not of our manufacture incorporated in our goods or sold by us carry their manufacturer's warranty only, if any.

6.5 Apart from the express warranties in the Warranty Schedule and to the full extent permitted by law, we will be under no liability to the customer (whether in contract, tort or otherwise), for any injury, loss or damages (including but not limited to incidental, special, consequential or general damages) in connection with or arising out of the supply or use of goods howsoever arising (including but not limited to injury, loss or damages suffered as a result of advice given by us to the customer in

- relation to the type of goods or services the customer requires or the design of the customer's systems), whether or not caused by the negligence of us, our employees or agents. The term "consequential damages" includes, but is not limited to, loss of profit, loss of production, loss or use of revenue, cost of capital, loss of or damage to property or equipment, and loss of reputation.
- 6.6 In no event, regardless of the form of the claim or cause of action (whether based in contract, infringement, negligence, strict liability, or otherwise), shall our liability to the customer and/or its customers exceed the price paid by the customer for the specific goods giving rise to the claim or cause of action, and the customer indemnifies us for any damages exceeding the price paid by the customer for those goods.
- 6.7 None of the above warranties shall apply:
- more than twelve (12) months after the date of delivery;
 - outside of the warranty period set out in the Warranty Schedule;
 - where the defect or failure is caused by or contributed to by the customer's misuse, negligent maintenance or not using the goods in accordance with rating and installation instructions or other specifications of use or care or where the customer has used the goods for purposes for which they have not been designed and manufactured;
 - where the defect or failure of the goods is due to instructions or designs supplied by the customer; or
 - where the claim does not relate to specific defects in the goods, arising from faulty materials or workmanship, linked to the price of the goods or services or replacement of the goods or services.
- 6.8 Where we elect to remedy defects or faults or warrant a third party to do so, the customer will in such cases still agree to pay us for the full price of the order agreed between the parties for our execution of the order and provision of the goods or services.
- 6.9 Goods returned to us subject to a claim under warranty will be accepted on the condition that, should the claim be rejected, all costs incurred including transport to and from our premises and inspection will be to the customer's account.
- 6.10 For the purposes of the Consumer Guarantees Act 1993, the parties agree that the goods are not of a kind ordinarily acquired for personal, domestic or household use or consumption and the customer is acquiring the goods for resupply or for using them up or transforming them in the course of a process of production or manufacture in its business.
7. Cancellation
No order accepted by us shall be cancelled without our consent and in such cases, the customer will be liable to reimburse us for all costs and expenses we incur in fulfilling the order up until and including the date of cancellation. If an order is cancelled with our consent, but the order of goods cannot be cancelled in time from the original manufacturer, the customer will be held liable for the cost of the goods in total.
8. Return of Goods
Any goods which have been supplied in accordance with a customer's order but which are subsequently returned may be credited at our discretion, provided that they are delivered to us within thirty (30) days of delivery, at the customer's cost, in the same condition and packaging in which they were dispatched, with a copy of the invoice. When we agree to returns we will charge an administration, restocking and freight fee of 20% of our invoiced price for the goods. No specially manufactured or specially ordered products, or products modified to a customer's requirements, or products which would be unsaleable by us to another party, will be accepted for credit.
9. Confidentiality
All written instructions, drawings, designs, specifications, manuals and other information which we supply in connection with a quotation or order are confidential. They remain our property and must not be disclosed to any third person or used in any manner whatsoever whether in complete form or in any way adapting or altering it without our written permission and the customer accepts that any such disclosure is likely to cause damage to our business which we will be entitled to recover from the customer.
10. Tests
If the customer requires any goods to be specially tested before despatch, arrangements may be made with us for us to carry out the testing at the customer's expense. Our applicable test and manufacturing standards will apply to the testing unless otherwise agreed.
11. On Site Installation
11.1 The customer will indemnify us against all loss and damage suffered by us, and against all claims and demands made against us, in respect of any injury or damage to persons or property caused by dangerous premises or equipment of the customer.
11.2 Installation by us shall not postpone the passing of risk in the goods.
12. Industrial Property Right
12.1 If goods supplied by us to the customer's design, instructions or specifications infringe or are alleged to infringe any patent or registered design rights or copyright the customer will indemnify us against all damages and costs incurred by us as a result of the infringement or allegation. The customer will provide to us every assistance in meeting an infringement claim brought against us.
12.2 The customer shall also indemnify us against any other damages, costs or expenses in respect of which we may be liable by following such designs, instructions or specifications.
13. Termination
13.1 This contract may be terminated by us immediately on written notice to the customer if:
(a) the customer defaults in its payments due to us;
(b) the customer commits any act of bankruptcy or enters into any composition or arrangement with creditors; or
(c) where the customer is a company or incorporation, the customer does any act which would render it liable to be liquidated or if a resolution is passed or proceedings commenced for the liquidation of the company or incorporation or if a receiver is appointed in respect of all or any of the assets of the company or incorporation.
13.2 Termination of this contract shall not relieve the customer of its obligations to pay all money owed by it to us on any account whatsoever, which money shall be payable immediately notwithstanding that the date for payment of the money may not have arrived. Termination of this contract shall not relieve the customer from liability arising from antecedent breach of the terms of this contract.
13.3 Upon termination of this contract for any reason, all rights of the customer granted under this contract shall terminate and the customer will not be entitled to receive any rebate or refund of the whole or any part of the money paid by it pursuant to this contract.
14. General
14.1 Our failure to enforce or exercise, at any time or for any period of time, any term of any contract incorporating these terms and conditions will not constitute, and will not be construed as, a waiver of such term and will in no way affect our right later to enforce or exercise it.
14.2 The invalidity or unenforceability of any of these terms and conditions will not affect the enforceability of the remainder of these terms and conditions.
14.3 The customer shall not, in relation to the supply of the goods by us, give or make any undertaking, assertion or representation in relation to the goods without our prior approval in writing and the customer shall indemnify us against any liability or cost we incur as a result of any breach by the customer of this provision.
14.4 In the event of a dispute between us and the customer arising out of this contract, such dispute shall be referred to an arbitrator under the laws of New Zealand to be agreed between the parties and upon failure to reach agreement, arbitration is to be conducted in accordance with the Arbitration Act 1996 and any amendments thereof.
14.5 These terms and conditions will in all respects be construed and have effect according to New Zealand law and the parties agreed to submit to the jurisdiction of the appropriate New Zealand Courts.