

GENERAL TERMS AND CONDITIONS OF SALE

These general terms and conditions apply to sales of all goods supplied by Lees Delta Marine Limited (Lees)

1 PRICE

- 1.1 Prices of goods are subject to fluctuation without notice and your order is accepted at the prices ruling on the date of dispatch from Lees
- 1.2 Lees shall have the right to increase the price of any goods to allow for:
 - 1.2.1 Taxes or duties imposed upon those goods of which it was unaware, or
 - 1.2.2 Taxes and duties imposed upon the goods after the date of setting their price, but prior to their dispatch

2 PAYMENT

- 2.1 You must pay for the goods in accordance with the Lees statement and credit terms.
- 2.2 If payment is not made on or before the due date, you may have to pay interest at a rate equal to 4% above the indicated lending rate of Lees principal banker. This will be calculated on a daily basis and shall be payable on any moneys outstanding under the contract from that date. Such interest shall continue to be charged until payment has been made in full
- 2.3 As an alternative to charging interest against the overdue amount, Lees may, without notifying you, and without prejudice any of its rights, recover the goods and resell them at the best possible price and recover from you any loss on such resale.
- 2.4 Despite any other agreement between Lees and you, if you commit an act of bankruptcy, or do anything, which may lead to your liquidation, then payment for the goods shall become immediately due.
- 2.5 If the goods are to be dispatched to you in a number of shipments, then Lees may defer further shipments until you have made payment in accordance with the Lees statement. Even if your contract with Lees has been partly performed, Lees shall have the right to require you to provide security for the further performance by Lees of its obligations. In such a case, your failure to provide such security within a reasonable time shall entitle Lees to terminate its contract with you. Such termination shall not jeopardise Lees' rights to claim compensation against you for your breach of contract.
- 2.6 The buyer agrees to indemnify Lees for all costs and expenses incurred (including Legal fee) in recovering unpaid monies

3 DELIVERY TRANSPORTATION

- 3.1 All goods shall be dispatched to you from Lees in New Zealand or as otherwise arranged.
- 3.2 Lees shall not be responsible for failure to deliver or delay in delivery of goods where that failure or delay arose from circumstances beyond Lees' control.

4 CANCELLATION OF ORDERS

Once you place an order with Lees, which is accepted, your order can not be cancelled without Lees written consent.

5 DELAYED DELIVERIES

- 5.1 If in the opinion of Lees, there may be a delay in delivering the goods caused by any reason beyond Lees' control, then Lees may cancel the contract or suspend delivery of the goods, in which case you shall be notified.
- 5.2 Lees would agree to hold up an order or defer delivery of goods only if you can show good and sufficient cause. Even then, Lees will hold up orders or defer deliveries only upon the following terms:
 - 5.2.1 The hold up period will not exceed 30 days on that part of your order, which is then in the process of being completed. At the expiration of the 30 day period, you must give definite shipping instructions, with which Lees approves
 - 5.2.2 If, at the end of the 30 day period, you do not give acceptable shipping instructions to Lees, then Lees may treat the contract as having been cancelled by you and this will entitle Lees to bring an action for your breach of contract.

6 INSURANCE

The goods are insured whilst in the Lees factory or in transit in a Lees vehicle. The goods are otherwise uninsured and will be at your risk.

7 PERSONAL PROPERTY SECURITIES ACT 1999 ("PPSA")

- 7.1 Without limiting anything else in these terms, the buyer acknowledges that:
 - 7.1.1 These Terms create, in favour of Lees, a security interest in all present and after acquired Goods (being, for the avoidance of doubt, all the Buyer's present personal property and after-acquired property except for any item of personal property which has not (or which is exclusively the proceeds of any item of personal property which has not) been supplied by the Lees to (or for the account of) the Buyer) to secure the payment by the Buyer to the Company of the Amount owing.
 - 7.1.2 These Terms will apply notwithstanding anything, expressed or implied, to the contrary contained in any purchase order (or its equivalent, whatever called) of the Buyer, and
 - 7.1.3 The Security Interest shall continue until Lees gives the Buyer a final release.
- 7.2 The Buyer undertakes to:
 - 7.2.1 promptly do all things, sign any further documents and/or provide any information which Lees may reasonably require to enable the Lees to perfect and maintain the perfection of its Security Interest (including by registration of a financing statement);
 - 7.2.2 give Lees (addressed to the financial controller or equivalent) not less than 14 days' prior written notice of any proposed change in the Buyer's name and/or any other change in the Buyer's details (including, but not limited to, changes in the Buyer's address, facsimile number, trading name or business practice),
- 7.3 The Buyer waives its right to receive a verification statement in respect of any financing statement relating to the Security Interest.
- 7.4 To the extent permitted by law, the Buyer and Lees contract out of:
 - 7.4.1 Section 114(1)(a) of the PPSA; and
 - 7.4.2 The Buyer's rights referred to in sections 107(2)(c), (d), (h) and (l) of the PPSA.
- 7.5 The Buyer agrees that the Security Interest has the same priority in relation to all amounts forming part of the Amount Owing, including future advances.

8 WARRANTY

- 8.1 Lees sells you the goods subject to its standard warranty terms you are entitled to receive these terms upon request.
- 8.2 The Lees standard warranty has priority over any term and condition in any agreement, which may conflict with it.

9 GOODS FOR RETURN

- 9.1 No Goods shall be returned to the Lees unless the Buyer first obtains the Lees written consent to such return. This consent must be sought by the Buyer within 20 days of the Goods having been delivered to the Buyer. The Buyer must provide details of the Lees delivery docket/invoice number. The goods must be in the same condition as when they were sold including packaging.
- 9.2 Lees reserves the right to charge a handling fee of up to (15%) of the price of the products, which are returned.
- 9.3 Specifically procured items are non-returnable.

10 OWNERSHIP

- 10.1 Ownership of the Goods remains with Lees and does not pass to the Buyer until the Buyer:
 - 10.1.1 pays the Amount Owing in full and Lees has released the Security Interest; or
 - 10.1.2 in case of Goods supplied on a commercial consignment basis, uses or sells the Goods; or
 - 10.1.3 re-sells the Goods pursuant to the authority granted by these Terms.
- 10.2 While ownership of the Goods remains with Lees:
 - 10.2.1 The Buyer must store them separately and clearly identify them as belonging to Lees;
 - 10.2.2 Lees authorises the Buyer, in the ordinary course of the Buyer's business, to use the Goods or sell them for full consideration. The authority is revoked immediately if:
 - (i) an Event of Default occurs; or
 - (ii) Lees notifies the Buyer in writing that this authority is revoked;
 - 10.2.3 The Buyer must advise Lees immediately for any Event of Default or any action by third parties (including any of its creditors) affecting Lees interest in the Goods.
- 10.3 Lees may apply any payments received from or on behalf of the Buyer in reduction of the Amount Owing in such order and manner as Lees thinks fit (despite any direction to the contrary and whether before or after the occurrence of an Event of Default).
- 10.4 If the Buyer resells or uses any Goods before ownership of the Goods has passed to the Buyer, the proceeds of such sale or use shall be received and held by the Buyer (in whatever form) in trust for both the Buyer and Lees. Lees interest as beneficiary under that trust shall be that portion of the proceeds which does not exceed the Amount Owing. The balance of the proceeds (if any) shall be the Buyer's beneficial interest under that trust.
- 10.5 Lees may bring an action for the price of the Goods sold even where ownership of the Goods may not have passed to the Buyer.