

1. Price

1.1 The price contained in the contract is based upon rates and costs as the date of the contract arises from a quotation given by Häfele, as at the date of quotation of materials, transport, labour, customs duty, insurance and other rates and costs. The price may be increased by the amount of any increase in the cost of any such items or any other factors (including any change in exchange rates) affecting the cost of supply, production and/or delivery of the goods due to circumstances beyond the control of Häfele between the above mentioned date and the date of delivery.

1.2 Häfele shall only be responsible to comply with the regulations, bylaws, codes and standards (if any) specified in this contract and Häfele shall be under no liability whatsoever for any failure to meet any other regulations, bylaws, codes and standards. In the event of being any charges in any regulations, bylaws, codes or standards with which Häfele is obligated to comply after the date of this contract or where the contract arises from a quotation, then any additional costs in meeting any such changes shall be to the account of the buyer.

2. Goods and Services Tax

2.1 Prices quoted by Häfele do not include Goods and Service Tax ("G.S.T."), the price of the goods shall be deemed to be increased by the amount of any G.S.T. applicable to the supply of the goods. Any alteration in the rate of G.S.T. applicable to the supply of the goods shall be to the buyer's account.

3. Payment

3.1 Subject to any provision to the contrary in the contract, payment shall be received on or before the 20th day of the month following the date of delivery of goods in accordance with clause 4 hereof.

3.2 If Häfele shall at any time deem the credit of the buyer to be unsatisfactory, it may require security of payment and may suspend performance of its obligations under the contracts until the provision of sufficient security. All costs and expenses of or incurred by Häfele as a result of such suspension and any recommencement shall be payable by the buyer upon demand.

3.3 The buyer shall not be entitled to withhold payment or to make any deductions or set off from the contract price without prior written consent of Häfele.

3.4 Receipt of a cheque, bill of exchange, or other negotiable instrument by Häfele shall not constitute payment and the buyer shall remain liable for the contract price until such cheque, bill of exchange, or negotiable instrument is paid in full.

3.5 Interest on overdue invoices shall accrue daily from the date when payment becomes due, until the date of payment, at a rate of three percent (3%) per calendar month (and at Häfele's sole discretion such interest shall compound monthly at such a rate) after as well as before any judgment. This clause shall not prejudice Häfele's other rights or remedies in respect to the buyer's default because of the buyer failing to make payment when due. Häfele may waive its rights under this clause.

3.6 If the buyer owes Häfele any money the buyer shall indemnify Häfele from and against all costs and disbursements incurred by Häfele in recovering the debt (including but not limited to internal administration fees, legal costs on a solicitor and own client basis, Häfele's collection agency costs, and bank dishonour fees).

4. Delivery

4.1 Delivery shall be made at the place indicated in the contract or, if no place shall be indicated in the contract (and in the case of sales ex-works), delivery shall be made at Häfele's premises. Häfele may charge a reasonable order charge if orders are made of a value less than Häfele's minimum order value as set by Häfele from time to time.

4.2 Häfele reserves the right to deliver the goods by instalments and each instalment shall be deemed to be a separate contract under the same provisions as the main contract. Should Häfele fail to deliver or make defective delivery of one or more instalments this shall not entitle the buyer to repudiate the main contract.

4.3 Unless specified in the contract delivery of 10% more or less in the quantity of the goods ordered by the buyer shall constitute performance of any contract, the amount under or over supplied to be deducted or charged for pro-rata.

5. Risk

5.1 Risk in the goods shall be borne by the buyer from the time of delivery of the goods.

6. Property

6.1 Notwithstanding the granting of credit, the passing of risk, the giving of possession or delivery to the buyer full PROPERTY (being both legal and equitable title) in the goods shall be retained by Häfele until the purchase price and all other

moneys payable to Häfele by the buyer whatsoever (whether pursuant to these conditions of sale or otherwise and whether in respect of the particular goods or otherwise) have been paid in full.

6.2 Until property in the goods has passed or the goods are resold (in accordance with the restrictions contained in this clause), the buyer shall hold the goods as the fiduciary agent and the bailee of Häfele and shall ensure that the goods are (to the greatest extent practicable) kept separate and/or identifiable as the property of Häfele, and shall exercise all reasonable care in the storage and handling of the goods.

6.3 NOTWITHSTANDING that property in the goods is retained by Häfele the buyer is hereby authorised to sell the goods in the ordinary course of business and on normal and reasonable commercial terms (as between the buyer and the sub-buyer, as principal, and without any authority to bind or purport to bind or purport to bind Häfele but as between Häfele and the buyer as the fiduciary agent of Häfele) PROVIDED THAT such authority may be revoked by written notice from Häfele at any time whatsoever and shall be deemed automatically revoked upon the happening of any events specified in clause 11.1 hereof.

6.4 WHERE goods in respect of which property has not passed to the buyer are resold by the buyer pursuant to the authority granted by clause 6.3 hereof any book debt created upon sale of Häfele's goods and the proceeds of sale of such goods, (together with the proceeds of insurance of such goods) when received by the buyer, shall unless otherwise permitted by Häfele (which permission may be revoked or varied) be held upon trust by the buyer for Häfele and any proceeds of sale so received by the buyer shall be placed in a separate bank account and shall first be applied towards the satisfaction of all indebtedness of the buyer to Häfele and thereafter shall be retained by the buyer.

6.5 The buyer shall inform its secured creditors and its substantial unsecured creditors of the terms upon which it buys the goods from Häfele and shall forthwith inform any trustee in bankruptcy or liquidator of the buyer or any receiver of any part of the buyer's assets of the rights of Häfele to the goods and the proceeds of sale or insurance thereof.

7. Insurance

7.1 Until property in the goods passes to the buyer, the buyer shall keep the goods insured in the name of Häfele and the buyer for their respective rights and interests and will produce to Häfele upon demand such evidence as Häfele may require to confirm the existence of such insurance. If the buyer defaults in the performance of its obligations under this clause, Häfele shall be entitled to insure the goods and the cost of effecting such insurance shall be payable by the buyer to Häfele upon demand.

7.2 If any of the goods are damaged or destroyed prior to the property therein passing to the buyer, Häfele shall be entitled without prejudice to any of its other rights or remedies under the contract to receive all insurance proceeds which are payable in respect thereof directly from the insurer (whether or not the purchase price of such goods has become payable under the contract) and the production of this contract by Häfele shall constitute conclusive evidence of Häfele's right to receive payment of such insurance proceeds without the need for further enquiry by any person dealing with Häfele. Any such insurance proceeds shall be applied by Häfele as follows:

7.2.1 First, in payment of the purchase price of the goods which are damaged or destroyed, if unpaid;

7.2.2 Secondly, in payment of the outstanding purchase price of any other goods supplied to the buyer by Häfele, whether under this contract or otherwise;

7.2.3 Thirdly, in payment of any other sums payable to Häfele by the buyer whether under this contract or otherwise;

7.2.4 Thereafter any balance shall be paid to the buyer.

8. Delay

8.1 If any time for delivery of the goods or completion of the contract or any part thereof shall be stated in the contract such time shall be approximate only and shall not be deemed to be of the essence of the contract.

8.2 Häfele shall not be liable for failure to deliver or for any delay in delivery where such failure or delay is occasioned directly or indirectly by any cause whatsoever, beyond Häfele's reasonable control.

8.3 If the manufacture, supply or delivery of the goods is delayed by reason of or as a result of any act, omission, default or request by on behalf of the buyer, Häfele may, without prejudice to its other rights and remedies, require payment by the buyer of such portion of the contract price as represents the

extent to which Häfele performed the contract or carried out work required by the contract up to the date such payment is required together with any expenses or additional costs incurred by Häfele as a result of such delay in the event of such delay continuing beyond reasonable time, Häfele may, without prejudice to its other remedies, terminate the contract.

9. Warranty

9.1 Häfele warrants that it will repair or make good any defects in the goods or materials or workmanship. No claim shall be accepted under such warranty unless written notice of the claim is received by Häfele as soon as possible after the defect is discovered. Nor shall any claim be accepted:

9.1.1 if any attempt to repair the defective goods is made by any persons not authorised by Häfele to effect such repairs; or

9.1.2 if the defective goods have been modified or incorrectly stored, maintained or used.

9.2 Should Häfele elect to repair or replace any defective goods, such repair or replacement shall be effected at such place a Häfele may specify and the buyer shall be responsible at its cost and its risk for shipment of the defective goods to the place or places so specified.

9.3 If the goods or any component or components thereof are not manufactured by Häfele, then the foregoing warranty shall not apply to such goods, component or components and no warranties are given by Häfele in respect thereof. In the case where the manufacturer or supplier of any such goods, component or components provides any warranty, then Häfele (to the extent that it is able to do so) shall endeavour to make such warranty available to the buyer.

9.4 If Häfele fails to perform its warranty obligations under clause 9.1 hereof, Häfele's liability for such failure shall be limited to damages which shall be subject to the limitation contained in clause 10.2 hereof.

10. Liability

10.1 Häfele shall not be liable for any loss of profits or any consequential indirect or special loss, damage or injury of any kind whatsoever suffered by the buyer arising directly or indirectly from any breach of any Häfele's obligations arising under or in connection with the contract or from any cancellation of the contract or from any negligence on the part of Häfele, its servants, agents or contractors nor shall Häfele be liable for any loss, damage or injury caused to the buyer's servants, agents, contractors, customers, visitors, tenants, trespassers or other persons whomsoever (whether similar to the forgoing or not) arising as aforesaid. The buyer shall indemnify Häfele against any claim by any of the foregoing persons in respect of any loss, damage or injury arising as aforesaid.

10.2 Notwithstanding anything herein before contained in this clause or contained elsewhere in this contract, the liability of Häfele, whether in contract or pursuant to any cancellation of the contract or in tort or otherwise howsoever, in respect of all claims for loss, damage or injury arising from breach of any of Häfele's obligations arising under or in connection with the contract, from any cancellation of the contract or from any negligence on the part of Häfele, its servants, agents or contractors shall not in aggregate exceed the contract price.

11. Default or Indemnity

11.1 Defaults in the payment of any moneys payable to Häfele, whether under the contract or otherwise, or if the buyer is in default in the performance of its obligations under the contract or any other contract between Häfele and the buyer:

11.1.1 Shall commit any act of bankruptcy, enter into any composition or arrangement with its creditors or (in the case of a company) do any act which would render it liable to be wound up or if a resolution is passed or a petition is filed for the winding up of a buyer or if a receiver and manager or statutory manager shall be appointed over all or any of its assets, then Häfele, without prejudice to any other right it has at law or in equity may, at its option, suspend or terminate the contract, and payment for the goods delivered and work performed up to the date of such suspension or termination and any other moneys payable hereunder shall immediately become due and payable.

11.2 In any case of the events specified in clause 11.1 hereof Häfele also reserves the right, as the agent of the buyer (and without notice), to enter upon the premises where the goods are situated and take possession of and remove the same being responsible for any damage thereby caused, and Häfele may resell any or all of the goods and apply the proceeds in or towards payment of the contract price and all other moneys owing to Häfele by the buyer. All costs and expenses of or incurred by Häfele as a result of any such

action together with transportation and storage charges shall be payable by the buyer upon demand. Any suspension of the contract by Häfele shall not prevent it terminating the contract during the period of suspension.

12. Intellectual Property

12.1 All intellectual property rights including (but not limited to) all patent, registered design or copyright in all drawings, specifications and other technical information provided by Häfele to the buyer in connection with the contract or otherwise is vested exclusively in Häfele.

12.2 If any goods are to be supplied by Häfele to the buyer's design, the buyer hereby warrants that the manufacture and supply of such goods by Häfele will not infringe any patent, copyright, registered design or other rights of any other person and the buyer agrees to indemnify Häfele against any liability incurred by Häfele including any costs and expenses in the event of any claim being made that the manufacture or supply of such goods by Häfele infringes any patent, copyright or other rights of any other person.

13. Dimensions and Specifications

13.1 Dimensions and specifications contained or referred to in the contract or in any catalogues or other publications maintained or issued by Häfele are estimates only. Unless otherwise expressly agreed in writing, it is not a condition of the contract that the goods will correspond precisely with such dimensions and specifications, and customary tolerances, or in the absence of customary tolerances, reasonable tolerances are allowed.

14. Colour

14.1 Should Häfele be obligated to match any shade of colour, a tolerance shall be allowed to such extent as shall be agreed upon by Häfele and the buyer, and in the absence of any agreement, a reasonable tolerance shall be allowed.

15. Goods on Consignment

15.1 Where goods are supplied and relocated to the Customer on consignment the following provisions apply specifically to those goods:

15.1.1 The buyer may retain possession of the goods until the buyer sells them or Häfele requires re-delivery of them to Häfele, which ever first occurs. Property in the Goods is in accordance with clause 6 herein.

15.1.2 If Häfele requires re-delivery of the Goods such re-delivery shall be at the buyers cost.

15.1.3 An employee of Häfele shall complete a monthly assessment of all consignment. Goods used during the previous monthly period and Häfele shall then invoice the buyer for the same. Payment for the goods sold shall then be due in accordance with clause 3 herein.

15.1.4 Häfele's employee when completing the monthly assessment of consignment. Goods sold (unless otherwise advised by the buyer) shall arrange for Häfele to top-up or restock the goods held by the buyer to the amount of the original supply.

15.1.5 It is the buyers responsibility to ensure the goods supplied and relocated to their premises correspond to the documentation provided. Any discrepancies between the goods supplied and the goods remaining at the time of the monthly assessment are the responsibility of the buyer and are deemed payable by the buyer.

15.2 Where goods are supplied on consignment for the purposes of display, the terms of the consignment agreement document shall apply and are in conjunction with the terms and conditions herein.

16. Privacy Act 1993

16.1 The buyer authorises Häfele or the Häfele's agent to:

16.1.1 access, collect, retain and use any information about the buyer;

(i) including any overdue fines balance information held by the Ministry of Justice for the purpose of assessing the buyer's credit worthiness; or

(ii) for the purpose of marketing products and services to the buyer.

16.1.2 Disclose information about the buyer, whether collected by Häfele from the buyer directly or obtained by Häfele from any other source, to any other credit provider or any credit reporting agency for the purposes of providing or obtaining a credit reference, debt collection or notifying a default by the buyer.

16.2 Where the buyer is an individual the authorities under clause 16.1 are authorities or consents for the purposes of the Privacy Act 1993.

16.3 The buyer shall have the right to request Häfele for a copy of the information about the buyer retained by Häfele and the right to request Häfele to correct any incorrect information about the buyer held by Häfele.

17. Personal Property Securities Act 1999

17.1 Upon assenting to these terms and conditions in writing the buyer acknowledges and agrees that:

17.1.1 these terms and conditions constitute a security agreement for the purposes of the PPSA; and

17.1.2 A security interest is taken in all goods previously supplied by Häfele to the buyer (if any) and all goods that will be supplied in the future by Häfele to the buyer.

17.2 The buyer undertakes to:

17.2.1 sign any further documents and/or provide any further information (such information to be complete, accurate and up-to-date in all respects) which Häfele may reasonably require to register a financing statement or financing change statement on the Personal Property Securities Register;

17.2.2 indemnify, and upon demand reimburse, Häfele for all expenses incurred in registering a financing statement or financing change statement on the Personal Property Securities Register or releasing any goods charged thereby;

17.2.3 not register a financing change statement or a change demand without the prior written consent of Häfele; and

17.2.4 immediately advise Häfele of any material change in its business practices of selling the goods which would result in a change in the nature of proceeds derived from such sales.

17.3 Häfele and the buyer agree that nothing in sections 114(1) (a), 133 and 134 of the PPSA shall apply to these terms and conditions.

17.4 The buyer waives its rights as a debtor under sections 116, 120(2), 121, 125, 126, 127, 129, 131 and 132 of the PPSA.

17.5 Unless otherwise agreed to in writing by Häfele, the buyer waives its right to receive a verification statement in accordance with section 148 of the PPSA.

17.6 The buyer shall unconditionally ratify any actions taken by Häfele under clauses 18.1 to 18.5.

18. Contract

18.1 These conditions of sale shall, together with any provisions expressly included in writing in the quotation (where the contract arises from a quotation by Häfele, or the items contained in Häfele's confirmation or order (where the contract arises from any order by the buyer), be the conditions of the contract for the sale of the goods.

18.2 Subject to any overriding provisions of any statute or regulation all other conditions, warranties, descriptions, representations, conditions as a fitness of suitability for any purpose, tolerance to any conditions, merchantability or otherwise (whether of a nature or not) and whether express or implied by law, trade customs or otherwise are expressly excluded.

18.3 In the case of any conflict between an order or other document submitted by the buyer on the one hand, and Häfele's confirmation of order and/or these trading terms and/or such other document issued by Häfele on the other hand the provisions of Häfele's confirmation of order and/or these conditions of sale and/or such other document issued by Häfele shall prevail.

18.4 In the event of any conflict between these conditions of sale on the one hand and Häfele's confirmation of order and/or any other document issued by Häfele on the other hand, the provisions of these conditions of sale shall prevail except in the case of a clear and intentional written variation in the confirmation of order or other such document.

18.5 No agent or representative of Häfele is authorised to make any representations, warranties, conditions or agreement not expressly confirmed by an authorised officer of Häfele in writing and Häfele is not in any way bound by any such unauthorised statements nor can any such statements be taken to form a contract or part of a contract with Häfele collateral to the contract.

19. Waiver

19.1 All of the original rights, powers, exemptions and remedies of Häfele shall remain in full force notwithstanding any neglect, tolerance or delay in the enforcement thereof. Häfele shall not be deemed to have waived any condition unless such waiver shall be in writing under signature of Häfele or an authorised officer thereof and any such waiver, unless the contrary shall be expressly stated, shall apply to and operate only in a particular transaction, dealing or matter.

20. No Assignment

20.1 The buyer may not assign all or any of his rights or obligations under the contract without the prior written consent of Häfele.

21. Governing Law

21.1 The contract shall in all respects be deemed to be a contract made in New Zealand and the construction validity and performance of the contract shall be governed by New Zealand law. The exclusive jurisdiction of the New Zealand courts to entertain all claims and actions arising out of the contract is accepted and acknowledged by the buyer provided however that Häfele shall be entitled to commence any action arising out of respect of the contract in any other court.