

Terms and Conditions of Sale

The term "The Seller" refers to South Pacific Timber 1990 Ltd and the term "The Buyer" refers to any person or legal entity purchasing from the Seller.

1. General:

- a) Any variation, waiver or cancellation of the Buyer's order will need to be in writing in order to be effective. If the Seller accepts cancellation a 25% handling charge may be applied in the seller's sole discretion.
- b) Placement of an order by the Buyer constitutes an agreement that a contract between the Buyer and the Seller shall be governed by these Terms and Conditions of Sale.
- c) If any of these provisions (or any part thereof) are invalid or unenforceable for any reason all of the remaining terms shall remain in full effect.
- d) The buyer agrees that in the event of default of payment of the account the buyer shall pay upon demand, all costs, charges, legal expenses, and collection costs incurred by the Seller in recovering the outstanding account.

2. Price and Terms of Payment:

- a) The Seller's prices are subject to change without warning. The onus is on the Buyer to confirm prices prior to each delivery.
- b) All prices are exclusive of GST.
- c) All accounts are due for payment on the 20th of the month following delivery of all or part of the goods.
- d) Without prejudice to its rights to sue for payment or any other remedy when payment is not made on the due date the Seller may; (i) re-invoice goods at the then current full retail price, (ii) charge the Buyer interest at a rate of 1.5% per month calculated daily until paid in full. (iii) demand payment in arrears as well as payment in advance before making any further deliveries, and (iv) rescind this contract & the Buyer shall not be entitled to demand the delivery of any undelivered goods hereunder.

3. Delivery:

- a) The Seller may withhold delivery in terms of clause 2(d)(iv).
- b) The Seller reserves the right to deliver each order in one delivery or by instalments and be entitled to payment for each instalment delivered.
- c) Any quotations for delivery times by the Seller are made in good faith but are estimates only and the Seller shall not be bound by such quotation.
- d) Proof of delivery will not be provided by the Seller beyond 60 days from date of invoicing.

4. Shortages:

The Seller's liability for shortages in the quantity of the goods supplied is limited to making up the shortages. No claim for shortages in quantity will be allowed unless the Buyer gives written notification of the shortage within 3 days of delivery.

5. Ownership Risk and Loss in Transit:

- a) Ownership and title shall not pass to the Buyer until payment has been made in full and all other obligations of the Buyer to the Seller have been met. Until ownership of the goods passes in full in accordance with this clause 5 (a) the Buyer holds the goods as Bailee of the Seller. The Buyer shall

store goods separately and in a manner, that they are clearly identified as belonging to the Seller. The Seller shall be entitled, at-any-time, to demand the return of the goods and shall be entitled without notice to the Buyer and without liability to the Seller to enter any premises to search for and remove of the goods.

- b) Risks including but not limited to loss, damage and/or deterioration of the goods shall pass to the customer on collection or receipt of goods.
- c) Claims for damages must be made within 2 days of receipt of goods. It is the Buyer's duty to check that consignment is as per the delivery note. The Buyer shall maintain the goods in good condition and if called upon, shall return them immediately to the Seller.
- d) The Buyer agrees to meet all recovery costs including incidentals or shortfalls.
- e) Notwithstanding retention of ownership, by the Seller, the Buyer may, prior to payment, as agent for the Seller, sell the goods in the ordinary course of business. In the event of such sales, the Buyer shall hold (i) all monies received by it on such sale separate from its own money. and (ii) all claims against the purchasers of such goods in trust for the Seller. The Seller may in any event either in its own name or the name of the Buyer issue proceedings to recover the sales price of such goods sold by the Buyer.
- f) The Seller shall be entitled to cancel the Buyer's rights under these terms and Conditions of Sale if the Buyer defaults on payment on the due date or fails to comply with any of these general conditions (a Default). The right of cancellation under this clause (5f) is in addition to any other right of cancellation the Seller may have hereunder or at law.
- g) In the event of a Default or upon cancellation under clause 5(t) or 2(d) if any of the events occurs or upon cancellation under clause S(f) or 2(d) and pursuant to all other rights of the Seller, the Buyer here gives the Seller irrevocable authority 10: (i) recover possession of all goods of which 1he Seller has retained title, whether such goods are fixed to any premises including processed goods, (ii) enter the premises, (forcibly if need be) for the purposes of repossessing the goods. (iii) Employ the services of any person to enter the Buyer's premises to exercise the rights of the Seller, and (iv) give notice to any 3 third party of the Seller's rights pursuant hereto. In the event the Seller acts pursuant to clause (ii), the buyer shall indemnify the Seller against all claims that may be made as consequence of such repossession.
- h) Upon termination of the Buyer's rights pursuant to clause S(t) and without prejudice to the Seller, the Seller shall be entitled to sell all goods and the following provisions shall apply: (i) Upon the sale of any unprocessed goods where full title has been retained, the Seller shall be entitled to retain the total proceedings of sale and be under no obligation to account for any part of the proceeds of the sale. (ii) In the case of processed goods, the Seller is empowered to sell such on behalf of the Buyer.

6. Security and the Personal Properties Securities Act 1999. ("PPSA"):

- a) The Buyer grants and creates in favour of the Seller (i) a purchase money security interest ("PMSI") in the goods within the meaning of the PPSA and (ii) the right to register a financing statement under the PPSA for goods supplied.
- b) The Buyer agrees to pay and may be charged with the cost of registration of the PMSI and acknowledges that the PMSI is to extend to cover the proceeds of sale any book debt.
- c) To the fullest extent permitted by law, the Buyer waives all rights (i) under S114, S120, S123 of the PPSA and (ii) 10 receive a verification statement. 'the Buyer acknowledges that the Seller shall be entitled to exercise its rights under S109 and S120 of the PPSA.
- d) The Buyer hereby indemnifies the Seller for any costs, claims and damages (including Legal Costs) incurred by the Seller in connection with this contract.

- e) The Buyer acknowledges that the seller may allocate any monies it receives from the Buyer towards debts, expenses, legal costs.
- f) In addition to, or as an alternative to, other rights, if payment has not been made by the due date the Seller may require that the Buyer executes an on-demand mortgage over any land the Buyer may own.

7. General Matters:

- a) The Buyer shall do all things necessary, including sign all documents and provide all information necessary to provide to the Seller any rights and security referred to in these Terms and Conditions of Sale.
- b) The Buyer and the Seller both agree that their respective addresses are as stated in the account application completed by the Buyer.

8. Forces Majeure:

The Seller shall not be liable to the Buyer for any loss or damage directly or indirectly arising out of or in connection with any delay in delivery of the goods or failure to perform any term of this contract where such delay or failure is caused directly or indirectly by an act of god, fire, armed conflict, labour dispute, civil commotion, intervention of a government, inability to obtain labour, materials or manufacturing facilities, accidents, interruptions of or delay in transportation or any other cause beyond the Seller's control.

The Terms and Conditions of Sale written upon this invoice are a summary only of our full Terms and Conditions of Sale which you have agreed to and signed when you opened your account with South Pacific Timber (1990) Ltd. To the extent any discrepancies exist, the full Terms and Conditions of Sale shall govern. You are advised to read such Terms and Conditions of Sale in full.