
Custom Fluidpower Pty Limited

ABN 61 090 926 659 Incorporated in New South Wales

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19 June, 2012

Announcement

Dear Valued Customer

As you are aware, Fluidtech International Pty Ltd joined Custom Fluidpower Pty Ltd in December 2007, and on the 1st March 2010 Fluidtech International was further integrated when they began trading under the Custom Fluidpower Pty Ltd ABN, as they still do today.

During this time both businesses have been further integrated and now work from the same facilities in NSW, both at Carrington and Singleton. The strategy for this integration was, and remains to pool together the knowledge, skill, expertise and resources of both company's to enable an even greater level of service, support and technical know how to our customers.

The Board of Custom Fluidpower Pty Ltd has made the strategic decision to complete the integration of both businesses by retiring the Fluidtech International brand and operating the whole business trading as Custom Fluidpower Pty Ltd. This change will be effective from 1st August 2012.

We believe that this change in branding will have minimal to no impact on you, our valued customer, due to the fact that it is a name change only. All company information such as ABN, bank account, contact details and most importantly, the staff are not changing. Email addresses for Fluidtech International staff will be updated to CFP email addresses, however the current email addresses will still be active into the near future.

On the reverse of this letter are the terms and conditions of sale for all members of the Custom Fluidpower Group. These terms and conditions are identical to the Fluidtech International terms and conditions other than the business name.

Custom Fluidpower staff look forward to providing you with the same exemplary service you have come to expect throughout 2012 and for many years to come.

Yours Faithfully,

A handwritten signature in black ink that reads "Troy Andrews".

Troy Andrews
Manager – Southern Region
Custom Fluidpower Pty Ltd

TERMS and CONDITIONS

These Terms and Conditions will prevail and take precedence over any terms and conditions provided by the Customer, and such terms and conditions will have no legal effect and will not constitute part of these Terms and Conditions (even if CFP accepts or fulfils the Customer's Order).

1. Definitions and Interpretation

(a) In these Terms and Conditions:

CFP means Custom Fluidpower Pty Ltd ACN 090 926 659.

Customer means the party to whom a Quotation is provided by CFP or by whom an Order is placed with CFP for Goods and/or Services.

Goods mean the materials, equipment and/or goods supplied by CFP.

GST means the tax imposed by *A New Tax System (Goods and Services Tax) Act 1999* and related tax imposition Acts of the Commonwealth of Australia.

Order means any order placed by the Customer for the Goods and/or Services to be supplied by CFP, whether in writing or orally.

Price means the cost of the Goods and/or Services as agreed between CFP and the Customer.

Quotation means any quotation issued by CFP for Goods and/or Services.

Services mean the services provided or to be provided to a Customer.

Site means the location where the Services are to be performed, or the location where the Goods are to be delivered, as nominated by the Customer.

Specifications mean the drawings, scope of work and/or description of the Goods and/or Services as stated in writing by the Customer to CFP.

(b) In these Terms and Conditions, unless the context requires otherwise:

(i) any reference to a party includes its successors and permitted assigns;

(ii) headings are for convenience only and have no legal effect;

(iii) the singular includes the plural and vice versa; and

(iv) "including" and similar words do not imply any limitation.

2. Quotation and Order

(a) Quotations are valid for a period of 30 days.

(b) Quotations may be amended or withdrawn at any time by CFP before acceptance by the Customer.

(c) Any Quotation containing a provision to supply Goods ex-stock is subject to fulfilment of prior contracts at the date of the Order.

(d) The placement of an Order resulting from a Quotation (or otherwise) is deemed to be an Order incorporating these Terms and Conditions notwithstanding any inconsistencies which may appear in the Customer's Order or documentation.

3. Price

(a) Prices do not include delivery of the Goods to the Site or GST, unless otherwise stated in the Quotation.

(b) If CFP is required to attend the Site, in addition to CFP's fees for providing the Services, the Customer will be liable for payment of:

(i) travel time at the agreed rate or as notified by CFP;

(ii) travel costs (including air fares, car hire, accommodation and meals) at cost plus 15%; and

(iii) any costs incurred by CFP arising from a requirement to be inducted prior to entering the Site (including medical tests and accreditations).

4. Deposit

Where CFP places an Order for:

(a) non-stocked/capital Goods on behalf of a Customer; or

(b) Goods to be shipped from an overseas supplier,

the Customer will pay a minimum security deposit of 25% of the Price of the ordered Goods. The security deposit will be deducted from the total Price of the Goods.

5. Payment

(a) Subject to clause 4, unless the Customer has an approved open account with CFP, all sums due are payable on delivery of the Goods and/or the Services. Payment will constitute acceptance of all Goods, and CFP will not be liable for any claim by the Customer for any cost, loss, damage, expense or short delivery unless CFP is notified in writing within 48 hours of receipt of the Goods by the Customer.

(b) If the Customer has an approved open account, invoices are payable by the Customer 30 days after the date of the invoice.

(c) If payment is not made on a timely basis, interest on the unpaid balance from time to time outstanding will accrue from the due date until paid in full at a rate of 12% per annum, without prejudice to CFP's other rights in respect of late or non-payment.

(d) The Customer will pay all cost and expenses (including legal costs on an indemnity basis) incurred by CFP and/or its agents in respect of the Customer, whether relating to any debt, possession of Goods and/or otherwise.

6. GST

If GST is imposed on any supply made under or in accordance with these Terms and Conditions, the recipient of the taxable supply must pay to CFP an additional amount equal to the GST payable on or for the taxable supply. Payment of the additional amount will be made:

(a) at the same time as payment for the taxable supply is required to be made in accordance with these Terms and Conditions; or

(b) within 30 days after the date of any invoice or notice from CFP requesting such payment.

7. Cancellations

(a) Orders cannot be cancelled by the Customer under any circumstances without CFP's prior written consent and except upon terms which will indemnify CFP against all loss.

(b) Excluding any defective items, neither all nor any part of an Order may be returned to CFP without prior written agreement of CFP.

8. Title & Risk of Loss

(a) Title to the Goods and any materials used in the supply of Services will pass to the Customer upon receipt of payment for the Goods.

(b) Subject to clause 9(c), the risk of loss or damage to the Goods passes to the Customer on the date and at the time that:

(i) the Goods are collected from CFP; or

(ii) where CFP is responsible for the delivery, the Goods are delivered to the Site.

9. Delivery

(a) Unless otherwise agreed, CFP accepts no responsibility or duty to deliver but may agree to deliver at its discretion, without liability and at the Customer's cost.

(b) CFP reserves the rights to deliver the Goods by instalments. Any delivery times notified to the Customer are estimates only. If the Customer requests CFP to postpone delivery of the Goods beyond the delivery date or dates specified in the Order, CFP may agree to do so if the Customer agrees to pay an additional fee for such postponement.

(c) If CFP does not receive delivery instructions sufficient to enable CFP to dispatch the Goods within 14 days of the Customer being notified that the Goods are ready for delivery, the Customer will from the 15th day after notification:

(i) be deemed to have taken delivery of the Goods;

(ii) be liable for storage charges, payable monthly on demand; and

(iii) assume risk in the Goods.

10. Performance of Services on Site

(a) Where the Services are to be performed on Site, the Customer takes full responsibility for the adequacy, stability and safety of all operations and methods necessary for the performance of the Services. Any losses suffered by CFP associated with work stoppage by CFP on the ground of the Customer's non-compliance with any health, safety and environment requirements will be the Customer's liability.

(b) The Customer agrees to allow CFP, its employees, consultants and agents access to as much of the Site as is necessary for the purpose of performing the Services.

(c) CFP will not be liable for any damage or destruction to property located on the Site except such damage or destruction that occurs due to CFP's wilful misconduct, and the Customer releases and indemnifies CFP from and against all claims of any kind in respect of such damage or destruction.

(d) CFP reserves the right to perform the Services in instalments and invoice separately for such instalments without regard to subsequent provision of Services.

(e) In the event of a dispute, the Customer agrees that CFP may enter upon any premises under the Customer's control for the purposes of recovering any Goods and, in entering such premises, the Customer agrees that CFP and its authorised representatives will not be trespassers.

11. Warranties

(a) CFP will perform the Services with due skill and care.

(b) For Goods sold and manufactured by CFP:

(i) CFP warrants that the Goods will be of an acceptable quality; and

(ii) if any defect appears within:

(A) 12 months from the date the Goods are delivered to, or collected by, the Customer; or

(B) 90 days from when the Services are performed,

then:

(C) the Customer must promptly notify CFP of the defect in writing and CFP will, at CFP's discretion, repair, replace or refund the Price of the Goods or Services; and

(D) the cost associated with delivering the Goods to and from CFP will be the responsibility of the Customer.

(c) The warranties in clause 11(b) will not apply to, and CFP is not liable in respect of loss and damage arising from:

(i) defects or damage resulting from normal wear and tear, negligence, wilful misconduct, improper use, abuse, neglect, improper installation repair or alteration (other than by CFP), abnormal conditions of temperature dirt or corrosive matter, operation above rated capacities, electrical or other overload, unsuitable lubricants, dismantling or accident, or damage caused by unforeseen events;

(ii) use of the Goods beyond the parameters set in the Specifications; and

(iii) Goods which are modified, maintained or repaired by any person not authorised to do so by CFP.

(d) These warranties are in addition to other rights and remedies that are available to the Customer at law. CFP's goods come with guarantees that cannot be excluded under the Australian Consumer Law. The Customer is entitled to a replacement or refund for a major failure and for compensation for any other reasonably foreseeable loss or damage. The Customer is also entitled to have the goods repaired or replaced if the goods fail to be of acceptable quality and the failure does not amount to a major failure.

(e) All other warranties are excluded to the extent permitted at law.

12. Representation

(a) The Customer agrees that the Goods manufactured by CFP or for which CFP is the sole Australian distributor, will not be exhibited by any person, firm or company at any show, exhibition or trade fair without prior written consent from CFP. The

Customer warrants that such Goods will not be misrepresented in any way to the detriment of CFP as to their origin or source of import.

- (b) The Customer is responsible for ensuring that the Goods and/or Services comply with any requirements of law or as required by any statutory authority and will not rely on CFP's skill or judgement in relation to any particular purpose for which the Goods and/or Services are supplied other than as specified by the Customer to CFP.

13. Assignment and Subcontracting

- (a) The Customer may not assign its rights, duties and obligations under these Terms and Conditions without CFP's prior written consent.
- (b) CFP may sub-contract the performance of any part of its obligations under these Terms and Conditions to any third party or assign any of its rights or obligations under these Terms and Conditions.

14. Liability and Indemnity

- (a) To the extent permitted by law, in the case of all Goods and/or Services supplied by CFP, CFP is not liable:
 - (i) for any transport, installation, removal, labour or other costs; or any loss or damage to the Goods in transit; or
 - (ii) to the Customer or any other party for any direct, indirect, consequential or inconsequential injury loss or damage whatsoever by reason of any delay in delivery, deterioration, deficiency or other fault or harm in the Goods and/or Services supplied by or on behalf of or in any arrangement with CFP and whether or not due to the negligence of CFP its servants or agents.
- (b) To the extent permitted by law, CFP's total liability in connection with these Terms and Conditions:
 - (i) is limited at CFP's option to one of the following:
 - (A) in the case of the supply of Goods: (1) replacement, repair or resupply of the Goods; or (2) the cost of replacing, repairing or resupplying the Goods;
 - (B) in the case of the supply of Services: (1) supplying the Services again; or (2) the cost of supplying the Services again;
 - (ii) but will not exceed the Price paid by the Customer under these Terms and Conditions.

15. Termination

- (a) CFP may terminate an Order immediately if the Customer:
 - (i) breaches any of its obligations under these Terms and Conditions and it does not remedy such breach within a reasonable time as requested by CFP in writing; or
 - (ii) becomes insolvent, is wound up or a receiver or creditor is appointed over any part of the Customer's business.
- (b) Upon termination, the Customer will pay CFP for all costs incurred with the termination up to the date of termination.

16. Force Majeure

CFP is not liable for failing to comply with these Terms and Conditions as a result of events beyond CFP's control (including earthquakes, cyclones, floods, fires, lightning, storms or other acts of God, blowouts, strikes or industrial disputes, riots, terrorist acts, civil disturbances, breakages of machinery or industrial conditions or arising out of any other unexpected or exceptional cause, delays in transportation and dispositions or orders of governmental authority, but shall not include lack of funds nor economic hardship). If such events cause a delay in the supply of the Goods and/or Services, the Customer agrees to:

- (a) extend any timeframes specified in the Order to accommodate the delay;
- (b) pay CFP any additional fees incurred by CFP to complete the Services, as agreed between the parties; and
- (c) pay CFP standby rates (at the published hourly rates) if CFP personnel are retained on Site.

17. Confidentiality

The Customer will treat as confidential all information, data, drawings, specifications, samples and documentation supplied by CFP relating to the Goods and/or Services, and will not disclose them to any third party without the prior written consent of CFP.

18. Ownership of Intellectual Property

- (a) All intellectual property created by CFP relating to the Goods and/or Services is from the time of creation, owned by CFP.
- (b) CFP grants to the Customer a non-exclusive, royalty-free licence to use CFP's intellectual property to the extent such materials form part of, or are integral to, the Goods and/or Services.
- (c) The Customer at all times indemnifies CFP, its officers, employees and agents, from and against all loss, damage, costs and expenses (including legal costs) arising out of the infringement or alleged infringement of any intellectual property, because of the purchase, possession or use of the Goods or the outcomes of the Services.

19. Governing Law

These Terms and Conditions are governed by, and construed in accordance with the laws of New South Wales. The parties agree to submit to the non-exclusive jurisdiction of the courts of New South Wales. The provisions of the United Nations Convention on Contracts for the International Sale of Goods are expressly excluded from these Terms and Conditions.

20. Notices

All notices and consents relating to these Terms and Conditions must be in writing.

21. General

- (a) These Terms and Conditions contain the entire understanding between the parties concerning the Goods and/or Services and supersedes all prior communications.
- (b) These Terms and Conditions may not be amended or varied except in writing and signed by the parties.

- (c) The failure of either party to enforce any provisions under these Terms and Conditions will not waive the right of such party thereafter to enforce any such provisions.

- (d) If any term or provision of these Terms and Conditions is held by a court to be illegal, invalid or unenforceable under the applicable law, that term or provision will be severed from these Terms and Conditions and the remaining terms and conditions will be unaffected.