OKUMA NEW ZEALAND LTD
NEW ZEALAND TERMS AND CONDITIONS OF TRADE– NOVEMBER 2010

The following terms and conditions of trade ("Terms of Trade") shall apply to and form part of any contract for the supply of goods and services ("Goods") by Okuma New Zealand Ltd ("the Company") to another party ("the Purchaser").

1. QUOTATION
1.1 No quotation given by the Company to the Purchaser shall constitute an offer. Any order from the Purchaser to the Company for the supply of Goods shall not be binding upon the Company until accepted by the Company.

1.2 Prices given in any quotation by the Company are applicable to that quotation only and will not apply in any other instance.

1.3 Quotations are valid for a period of thirty (30) days from date of issue by the Company or otherwise specified in the quotation.

1.4 The Company will notify the Purchaser of the Company's acceptance of the Purchaser's order by return communication in the manner in which the order is received. Upon acceptance of the order, unless new terms have been introduced which then require acceptance (and subject to the above provisions), a formal binding contract will then have been reached, and the Company will complete the order on the basis set out herein.

1.5 If upon receipt of an acknowledgment of acceptance of the order from the Company the Purchaser is not happy with the price specified, then the Purchaser must notify the Purchaser's non-acceptance, and cancellation of the order within 3 working days. If an order has been requested on an urgent basis notification must be made immediately upon receipt of acceptance of the order, and in any event notification must be not later than the end of the next business day. Otherwise the Purchaser will be deemed to have accepted the price specified.

2. PURCHASE ORDERS
2.1 When ordering, an official order is to be submitted by the Purchaser to the Company quoting an order number, full description of the Goods to be purchased and the delivery time and address. Reference to the Company's quote number should also be made (where applicable).

2.2 These Terms of Trade apply to the Purchaser and to the Company in respect of Goods ordered by the Purchaser and any terms and conditions set out in the Purchaser's order deviating from or inconsistent with these Terms of Trade will not bind the Company notwithstanding any statement by the Purchaser in its order that its terms and conditions shall prevail over these Terms of Trade.

2.3 A contract shall only be or be deemed to have been entered into between the Company and the Purchaser for the supply of the Goods when the Purchaser's order has been accepted by the Company in writing.

3. PAYMENT
3.1 The extension of credit to the Purchaser by the Company shall be at the sole discretion of the Company and, where extended, unless otherwise advised in writing by the Company the Company requires payment by the 20th day of the month following the month in which Delivery of the Goods occurs or as otherwise specified in the invoice.

3.2 Without in any way limiting the Company's right to require payment in full on the due date, the Company may at its sole discretion, charge interest on overdue accounts at the rate of 2.5% above the ANZ bank's variable Benchmark lending rate as from time to time applicable.

3.3 The Purchaser agrees that the Company shall be entitled to use the services of a credit agency from time to time to obtain information concerning the Purchaser (and where the Purchaser is a company, its Directors) in order to assess the Purchaser's credit worthiness.

3.4 Time specified for any payment is of the essence.

4. INDEMNITY
Without prejudice to any other rights the Company may have against the Purchaser, and to the extent permitted by law, the Purchaser shall indemnify the Company for, and save it harmless from, any loss, damage or expense (including, without limitation, costs, whether or not the subject of a court order) incurred by it should the Purchaser breach any of these Terms of Trade or cancel any order or part thereof for the Goods after acceptance by the Company.

5. DELIVERY
5.1 Unless agreed in writing the Company shall arrange for delivery of the Goods ("Delivery") to the Purchasers nominated delivery point.

5.2 The Company is entitled to charge a fee for Delivery.

5.3 The Company is deemed to have delivered the Goods when they are made available for unloading at the Purchaser's nominated delivery point.

5.4 The Purchaser is responsible for unloading the Goods from the Company's delivery vehicle.

5.5 If the Goods are to be collected by the Purchaser from the Company's store Delivery occurs when the Goods are loaded on the Purchaser's vehicle.

5.6 The Company is not liable for any claims for non-fulfillment or late Delivery of Goods or for any loss or damage (including consequential loss or damage) suffered by the Purchaser arising from delay in Delivery or failure to deliver due to circumstances beyond the Company's reasonable control and the Purchaser shall accept and pay for the Goods notwithstanding late Delivery.

5.7 The Purchaser shall in its purchase order advise the Company of the nominated delivery point and required delivery time.

5.8 Unless otherwise agreed by the Purchaser and the Company, the Company shall be entitled to deliver the Goods in one or more lots. Where Delivery of the Goods is effected by way of part Delivery the Company shall be entitled to invoice the Purchaser for pro-rata progress payments in respect thereof.

5.9 Notwithstanding the Purchaser's inability to accept Delivery of the Goods, the Company shall be deemed to have delivered the Goods in accordance with these Terms of Trade and the Goods shall be at the Purchaser's risk from the time when the Goods have been loaded onto the Purchaser's collecting vehicle or delivered to the Purchaser's nominated delivery point (as the case requires).

6. ADDITIONAL CHARGES

The Company reserves the right to charge the Purchaser for any costs, charges or expenses whatsoever that the Company may incur as a result of -

(a) vehicle or wagon detention of the Goods (to the extent the same is not caused or contributed to by the Company);

(b) demurrage on ships as a consequence of any act or omission of the Purchaser;

(c) any special requirements or stipulations of the Purchaser accepted by the Company but not provided for in the Terms of Trade;

(d) any increase in duties, taxes, freight, insurance or other charges or expenses from the date of acceptance of the Purchaser's order by the Company to the date of Delivery.

7. STORAGE

If the Company notifies the Purchaser that the Goods are ready for Delivery and the Purchaser requests the Company to hold the Goods on its behalf, such Goods will be held by the Company at the Purchaser's risk, and the Company shall be entitled to charge storage fees in respect of the Goods so stored.

8. CLAIMS

8.1 The Purchaser shall inspect the Goods immediately upon Delivery and, if the Goods are damaged or not otherwise in conformity with the contract relating to their supply shall give written notice to the Company of the details in respect thereof within seven (days) of the date of Delivery.

8.2 Any Goods the subject of a notice under clause 8.1 shall be left in the state and condition in which they were delivered until such time as the Company or its duly authorised agent has inspected the Goods, such inspection to be carried out within a reasonable time after notification by the Purchaser. If the Goods are not so left in the state and condition in which they were delivered, the Purchaser shall be deemed to have accepted the Goods and shall pay the purchase price for the Goods to the Company.

8.3 Acceptance of the Goods shall be deemed for all purposes to have taken place when Delivery has occurred.

8.4 No Goods will be accepted for return by the Company unless agreed in writing by the Company prior to such return and then only upon conditions acceptable to the Company and at the Purchaser's entire risk as to loss or damage. Where the Company agrees to accept Goods for return, the Company's then current restocking charge, as varied from time to time, will be charged to the Purchaser and shall be immediately payable.

9. TITLE AND RISK

9.1 The risk in the Goods supplied to the Purchaser pursuant to these Terms of Trade shall pass to the Purchaser on Delivery but ownership in them shall not pass to the Purchaser until all money the Purchaser owes to the Company has been paid in full.

9.2 If any part of the Goods shall become incorporated into any other machinery, plant or equipment so as to lose its separate identity then the title of that proportion of the machinery so integrated equal in value to the price owed to the Company shall be reserved and vested in the Company until all money the Purchaser owes to the Company has been paid in full.

9.3 Until the Company receives payment in full the Purchaser shall hold or deal with the goods for and on behalf of the Company and in every respect as a fiduciary and agent.

9.4 If the goods or any part of them are sold by the Purchaser prior to payment having been made to the Company then the proceeds of sale shall be held by the Purchaser on trust for and on behalf of the Company in a separate account.

9.5 In the case of goods where title is reserved to the Company under this condition the Purchaser hereby authorises the Company to approach the Purchaser's existing or subsequent chargeholder(s) where appropriate to obtain the acknowledgement of the chargeholder of the Company's Security Interest in the goods to the Company and confirmation that the Company shall have priority with regard to any goods in which title is reserved to the Company under this condition.

PERSONAL PROPERTY SECURITIES ACT 1999 ("PPSA")

10.1 The Purchaser acknowledges the Company's Security Interest in all Goods ("Collateral") supplied to the Purchaser but not paid for under these Terms of Trade.

10.2 The Company reserves the right at its discretion to register a Financing Statement in respect of each category of Goods supplied to the Purchaser which comprises Collateral. The Company's costs of registering a Financing Statement or a Financing Change Statement shall be paid by the Purchaser and where applicable, debited by the Company against the Purchaser's account with the Company. On the request by the Company the Purchaser shall promptly execute any documents and do anything else required by the Company to ensure that the Company's Security Interest in the collateral created by these Terms of Trade constitutes a Perfected Security Interest over the goods comprising collateral.

10.3 The Purchaser shall not agree to allow any person to file a Financing Statement over the Collateral without the prior consent of the Company and shall notify the Company immediately if it becomes aware of any person taking steps to file a Financing Statement against any of the Collateral.

10.4 The Purchaser and Guarantor (if any):

- (a) Agree(s) that nothing in s114(1)(a), 133, and 134 of the PPSA will apply to these Terms of Trade; and
- (b) Waive(s) the Buyer's right to do any of the following:
  - (i.) object to the Company's proposal to retain any Personal Property under s121 of the PPSA;
  - (ii.) not have goods damaged when the Company removes an Accession under s125 of the PPSA;

(iii.) receive notice of the removal of an Accession under s129 of the PPSA;
(iv.) apply to the Court for an order concerning the removal of an Accession under s131 of the PPSA;
(v.) to receive a copy of the Verification Statement confirming registration of a Financing Statement or a Financing Change Statement relating to the Security Interest created by these Terms of Trade.

Definitions
Capitalised expressions used in this clause that are not otherwise defined have the meaning prescribed to them in the PPSA.

10. DEFAULT
Should the Purchaser fail to make due payment for any Goods supplied by the Company or commit a breach of any term of the sale, or being a natural person commit an act of bankruptcy, or being a corporation by act or omission enables the appointment of an administrator, scheme manager, trustee, official manager, receiver, receiver and manager, liquidator or any other person authorised to enter into possession or assume control of any property of the Purchaser pursuant to a mortgage or other security, the Company may, without prejudice to any other rights it may have, do any or all of the following -

(a) Withdraw any credit facilities which may have been extended to the Purchaser and require immediate payment of all moneys owing or accrued;

(b) Withhold any further deliveries of Goods or performance of services required under the accepted purchase order;

(c) In respect of Goods already delivered, enter into the Purchaser's premises to recover and resell same for its own benefit;

(d) Suspend and/or terminate performance of any other contracts which the Company has with the Purchaser.

(e) The Company shall be entitled to set off against any monies owed to the Purchaser, an amount equal to the total of all monies at such time owed by the Purchaser or on the Purchaser's behalf to the Company.

11. WARRANTIES
11.1 To the extent permitted by law all implied conditions, warranties and undertakings are expressly excluded.

11.2 Except as provided in this clause the Company shall not be liable for any loss or damage, whether direct or indirect (including consequential losses or damage) arising out of any breach of contract by the Company or any negligence of the Company, its employees or agents.

11.3 Should the Company be liable for a breach of a condition or warranty implied by the Consumer Guarantees Act 1993 then its liability for a breach of any such condition or warranty express or implied shall be limited, at its option, to any one or more of the following:

(a) in the case of Goods:

(i) the replacement of the Goods or the supply of equivalent Goods;

(ii) the repair of the Goods;

(iii) the payment of the cost of replacing the Goods or acquiring equivalent Goods;

(iv) the payment of the cost of having the Goods repaired;

provided that any such Goods are returned to the Company by the Purchaser at the Purchaser's expense.

(b) in the case of services:

(i) the supply of the services again;

(ii) the payment of the cost of having the services supplied again.

11.4 The Company will not be liable for the costs of recovery of the Goods from the field, loss of use of the Goods, loss of time, inconvenience, incidental or consequential loss or damage, nor for any other loss or damage other than as stated above, whether ordinary or exemplary, caused either directly or indirectly by use of the Goods. This warranty does not apply to any defects or other malfunctions caused to the Goods by accident, neglect, vandalism, misuse, alteration, modification or unusual physical, environment or electrical stress.

11.5 The maximum amount for which the Company can have liability is the contract value received by the company in respect of the order concerned or work undertaken (as the case may be).

12. FITNESS FOR PURPOSE
The Purchaser agrees that it does not rely on the skill or judgment of the Company in relation to the suitability of any of the Goods for a particular purpose unless it has indicated that purpose in writing to the Company and the Company has acknowledged in writing that the Goods will be fit for the particular purpose.

13. OWNERSHIP AND CONFIDENTIALITY
13.1 The Purchaser acknowledges that all Proprietary Information in respect of the Goods and all right title and interest therein are the sole property of the Company and the Purchaser shall gain no right title or interest in the Proprietary Information whatsoever. The Purchaser specifically acknowledges the Company's exclusive rights to ownership of any modification, translation or adaptation of the Proprietary Information and any other improvement or development based thereon which is developed, supplied, installed or paid for by or on behalf of the Purchaser or any customer of the Purchaser.

13.2 The Purchaser acknowledges that the Proprietary Information is confidential and contains trade secrets and that its disclosure will cause the Company to suffer financial loss.

13.3 The Purchaser shall implement all measures necessary to safeguard the Company's ownership and confidentiality of the Proprietary Information including without limitation:

(i) allowing its employees, agents, and customers access to the Proprietary Information only to the extent necessary to ensure performance of the Goods and to require, as a condition to such access that such persons comply with the provisions of this part of these Terms of Trade;

(ii) to co-operate with the Company in the enforcement of such compliance by the Purchasers employees, agents and customers;

(iii) not to remove any nor permit the removal of any or alteration of any copyright or confidentiality labels placed on the Goods by the Company;

(iv) not to disassemble, decompile or reverse engineer any part of the Goods whether software or hardware;

(v) not to reproduce any part of the Goods whether software or hardware.

The Purchaser indemnifies, and agrees to keep indemnified the Company against any loss, costs, expenses, damages, and harm suffered or incurred by the Company in connection with or arising out of or as a result of the breach by the Purchaser of any of the provisions of this clause.

Definition
For the purposes of this clause "Proprietary Information" means any and all information relating to the Goods or the installation thereof including designs, drawings, instruction booklets, specifications, circuit drawings, componentry, trade marks and patents and any and all proprietary information, intellectual property and copyright in such proprietary information.

14. TAXES
The Purchaser will pay to the Company, in addition to the agreed price, any tax or duty (including Goods and Services Tax ("GST")) payable or assessed in respect of the supply of Goods to the Purchaser. Any payment of GST will be made (to the full extent it is then assessed) at the Time of Supply (as that term is defined in the Goods and Services Tax Act 1985) in addition to and together with any deposit then due.

15. DISPUTES
15.1 Any dispute, difference or question arising between the parties concerning –

(i) the construction of these Terms of Trade;
(ii) anything contained or arising out of these Terms of Trade;
(iii) the rights, liabilities, or duties of the parties; or
(iv) any matter touching upon the relationship of the parties in respect of these Terms of Trade (including claims for tort as well as in contract);

shall be referred to a mediator and is to be mediated according to the standard mediation agreement of LEADR New Zealand Incorporated (Lawyers Engaged in Alternative Dispute Resolution). The chair of LEADR will select a mediator and determine the mediator's remuneration.

15.2 During the period in which the dispute is being resolved, the parties must continue to perform all of the provisions of these Terms of Trade which are not under dispute and which are able to be performed by the parties.

16. FORCE MAJEURE
The Company shall not be liable for any claims for non-fulfillment or late Delivery should actual Delivery of the Goods or any parts be delayed in consequence of unforeseen events such as strikes, unforeseen breakdown of machinery (save where caused by improper maintenance or operation by untrained personnel), suspension of electricity or other relevant power supply, riots, war, robbery, civil commotion, adverse non foreseeable weather conditions, disaster caused by fire and/or water, action of government or port authority, delay of vessel, rail-road embargoes, inability to obtain transportation facilities or due to a failure of an original equipment manufacturer to supply components by the due date.

17. PERSONAL GUARANTEE

17.1 If the Company allows the Purchaser additional time to pay any indebtedness, or any monies are otherwise owed to the Company by the Purchaser the Company may at any time:

(i) If payment is not made at the times and in the manner agreed; terminate supply to the Purchaser, terminate manufacture of goods ordered, or otherwise refuse to supply the Purchaser, and / or;

(ii) Require additional security for payment including a guarantee by any directors, shareholders or other persons connected with the Purchaser, or otherwise for past as well as future indebtedness. Any such requirement is without prejudice to any other right at law which the Company may have, and does not affect the reservation of title in goods supplied referred to in clause 9 above.

(iii) In consideration of goods supplied and / or services rendered, and in respect of any indebtedness which may be owed to the Company the Purchaser and any such director or shareholder further agree to mortgage your legal estate in the land, detailed in the attached Customer Credit Application Form.

(iv) The Purchaser hereby appoints the Company on behalf ofthe Purchaser's company (if the Purchaser is a corporate customer) and of the shareholder(s) / director(s) as attorney to register a mortgage over such property to secure this obligation. It is agreed by the Purchaser that the Company shall at any time be entitled to caveat the Company's interest in land arising as a consequence of this provision.

17.2 On receipt in full of all monies owing to the Company where and if applicable the Company undertakes to do the following:

(i) Effect a discharge on the Personal Property Securities Register of the perfected PMSI

(ii) Organise a discharge of any and all mortgage against the Purchaser's legal estate in land

(iii) Lodge a withdrawal of caveat against any legal estate to which the Purchaser is the registered proprietor

(iv) Release the company, director or shareholder, or any other connected person from its guarantee to the Company for any past or future indebtedness.

18. ENTIRE AGREEMENT
18.1These Terms of Trade contain the entire agreement between the parties hereto on the subject matter of this agreement, and there

are no other oral or written representations, stipulations, warranties, agreements, or understandings relating to the subject matter of this agreement. Any variation or modification of these Terms of Trade must be in writing.

18.2. The Company reserves the right to unilaterally review and amend its terms of sale from time to time and to reflect changes to the legal or economic environment governing the business relationship. Written notification forwarded to the Purchaser by ordinary mail shall be deemed sufficient notification to bind the Purchaser to any revised or amended Terms of Trade for all orders placed by the Purchaser and accepted by the Company after receipt of such notification.

19. GOVERNING LAW

The law applying to any supply of Goods pursuant to these Terms of Trade is the law of New Zealand. The Company and the Purchaser submit to the jurisdiction of the Courts in New Zealand in respect of any dispute or disagreement arising in respect of these Terms of Trade.

NOTHING IN THESE CONDITIONS SHALL BE READ OR APPLIED SO AS TO EXCLUDE, RESTRICT OR MODIFY OR HAVE THE EFFECT OF EXCLUDING, RESTRICTING OR MODIFYING ANY CONDITION, WARRANTY, GUARANTEE, RIGHT OR REMEDY IMPLIED BY LAW (INCLUDING THECONSUMER GUARANTEES ACT 1993) AND WHICH BY LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED.