

TERMS OF TRADE

Terms of Trade for the supply of goods by New Zealand Medical & Scientific Ltd, hereinafter referred to as "the Company"

Terms and Conditions Paramount

Except as expressly agreed in writing these terms and conditions shall apply to and govern all contracts and other dealings between the Company and the Customer notwithstanding any statement to the contrary in any order or other document of the Customer.

Payment

The Customer shall pay in full all invoices and amounts owed to the Company by the 20th of the month following the date of the Company's invoice. The Customer shall pay the price stated on the Company's invoice, save for errors which the Company reserves the right to correct.

Time for payment shall be of the essence. In the event that payment is not received by due date default interest may be charged by the Company at a rate equivalent to 5% per annum above the unsecured overdraft interest rate charged by the Company's bank and calculated on a daily basis on all monies outstanding for the period during which payment has been overdue until all monies including default interest have been paid in full. All payments received will firstly be applied to payment of default interest (if any)

The Customer authorises the Company to obtain at any time from any person or entity any information that the Company may require for the purpose of assessing the Customer's creditworthiness and the Customer irrevocably authorises and requests all such persons and entities to release to the Company any personal information held concerning the Customer.

The Customer agrees that in the event of its default the Company may provide details of that default and personal information relating to the Customer to any credit agency so that such credit agency can maintain effective records.

Default

If the Customer fails to pay any amount owed to the Company by the due date, or fails to comply with any other obligation owed to the Company, then without prejudice to any of its other rights, remedies and powers the Company may (notwithstanding that the Company may have waived any previous default by the Customer):

1. Cancel any contract and/or suspend further deliveries of goods to the Customer.
2. Enter the Customer's premises or any other premises that the Customer is authorised to enter and retake possession of goods and sell them without being liable in any way to the Customer. Furthermore, the Customer shall indemnify the Company for all costs (including legal costs on a solicitor and own client basis), claims by third parties or whatsoever in retaking possession and selling goods.
3. Appoint a receiver pursuant to the Receiverships Act 1993 in respect of the Property (including their proceeds) and any such receiver may take possession of the Property and sell them and otherwise exercise all rights and powers conferred on a receiver by law.
4. Notwithstanding any other provision of these terms and conditions, the Company may at any time by notice in writing suspend or terminate the Customer's Credit Account or any other agreed trading terms and require immediate payment by the Customer of all amounts owed to

the Company and the Company shall be entitled to exercise the powers set out in the preceding paragraphs 1, 2, 3 and 4.

The Customer will upon demand pay to the Company all costs, charges and expenses (including, but not only, collection commissions and legal costs on a solicitor and own client basis) incurred by the Company in collecting or taking action to collect any amount owed by the Customer and in connection with the exercise, enforcement or preservation of any of the Company's rights, powers or interests.

Minimum Quantities

All orders will be supplied in the standard outer pack quantity for the product supplied unless specifically arranged with and agreed to by the Company.

Any orders received by the Company for more or less than the standard outer pack quantity will be increased to the next standard outer pack quantity for that product.

Delivery of Property, Risk and Insurance

Property shall be paid into store and consigned by the Company in the way determined by the Company to be the most efficient. For urgent requests, freight costs incurred over and above the Company's normal distribution method will be to the Customer's account, e.g. a one hour courier. Any order under \$500.00 will incur freight charges at the Company's discretion.

The risk of any loss or damage to or deterioration of goods due to any cause whatsoever including damage or loss in transit shall be borne by the Customer as from the time the goods leave the Company's premises provided that if goods remain on the Company's premises or with any carrier or other delivery agent due to the failure of the Customer to accept the goods or at the Customer's request then all such risk shall be borne by the Customer as from the time of the Customer's failure or request as the case may be.

The Company will endeavour to deliver goods within any timeframes requested by the Customer, but time for delivery shall not be of the essence and the Company shall not be liable for any loss to the Customer caused by any delay or non-delivery. The Company reserves the right to deliver goods by instalments and failure by the Company to deliver any one or more instalment shall not entitle the Customer to cancel the contract as a whole.

Ownership of Goods

Notwithstanding delivery and the passing of risk in goods, or any other provision of these terms and conditions, all goods (including, where applicable, any resulting product into which the goods are incorporated, manufactured or commingled, whether or not the original identity of the goods is lost) shall remain and be the property of the Company as legal and equitable owner until the Company has received cleared payment in full of all moneys owed by the Customer to the Company. Until the Company has received cleared payment in full of all moneys owed by the Customer to the Company the Customer shall hold the goods as the Company's fiduciary agent and bailee and shall store the goods in such a way that it is clear that they are the property of the Company. Unless the Company directs otherwise, the Customer may use or resell the goods by way of bona fide sale at market value in the ordinary course of its business.

Until such time as the property in goods passes to the Customer, provided the goods are still in existence and have not been resold, the Company shall be entitled at any time to require the Customer to return the goods to the Company and the Company and its agents may at any time without further notice enter the Customer's premises or any other premises where the goods are stored and retake possession of the goods (if required, disconnecting the goods from any structure or equipment to which they may be attached or installed) or perfect the Company's security interest in the goods. In so doing the Company shall have no liability for any losses, costs or charges suffered or incurred by the Customer and the Customer indemnifies and keeps indemnified the Company against all liability the Company may have to any third party in so acting.

Returns

No goods are sold on a sale or return or approval basis. No goods will be accepted for return, unless: -

1. The request is made by the Customer in writing; and
2. The request was agreed to in writing by the Company; and

3. There has been an order processing error on the part of the Company; and/or.
4. Goods were supplied with less than six months expiry; and/or
5. Goods are damaged, faulty or supplied in error and a claim on the Company has been made within 5 working days of receipt of such goods.

In the event the Company agrees in writing to accept returns, the following conditions shall apply:

1. The returned goods shall be unopened, in their original packaging and in the same condition as when they left the Company's premises, unless the reason for return is damaged stock in which case the outer pack packaging can be opened.
2. All goods must be returned together with all original documentation within 7 days of the Company notifying the Customer of its willingness to accept goods for return.
3. All goods returned must be delivered pre-paid to the Company's premises.

Warranties and Defects

All claims for defective goods must be in writing and delivered to the Company for inspection by a designated representative of the Company within five working days of receipt of the goods. All claims must quote the relevant invoice number. Any claims not made within five working days of receipt will be deemed waived by the Customer.

The Company will not be responsible for any shortages or damage suffered to goods while in transit. Claims for breakages, damages and shortages during transit must be made to the carrier or delivery agent.

The Company shall have no liability in respect of any defect arising from misuse, wilful damage, negligence, failure to follow instructions, unauthorised alteration or modification, abnormal working conditions or fair wear and tear.

The Company shall have sole right to decide whether goods are capable of repair and the Company's liability (if any) in respect of goods shall be limited as follows:

1. Where goods are capable of repair, to the repair of the goods or the payment of the cost of having the goods repaired; or
2. Where goods are incapable of repair, the payment of the original cost of acquiring the goods.

No guarantee or warranty is given, and no obligation incurred, by the Company in respect of goods or components not manufactured by the Company, in respect of which the Customer shall only be entitled to the benefit of any guarantee or warranty given to the Company by the manufacturer or supplier provided that the Company shall not be required to pay or incur any cost in relation thereto.

Where the Company is requested by the Customer to provide casual advice in conjunction with the sale of goods then the Company shall have no liability whatsoever in relation to any such advice given and the Customer shall rely solely on its own judgment in connection with all such matters.

No guarantee, warranty, representation or statement shall be binding on the Company unless made in writing by a director or senior officer of the Company. Except as expressly set forth in these terms and conditions all warranties and conditions, whether implied by law or otherwise, are excluded and the Company shall have no liability whatsoever to the Customer. The Company shall not be liable to the Customer for any indirect, special or consequential loss or damage (whether for loss of profit or otherwise) even if such loss were reasonably foreseeable or the Company had been advised of the possibility of the Customer incurring same. If it shall be held that the Company has any liability to the Customer then, except as expressly set forth in these terms and conditions, the liability of the Company to the Customer shall not exceed the lesser of the value of the goods the subject of any claim; or the contract price.

The Company shall have no liability arising from, and may correct at any time, any typographical, clerical or other error or omission in any sales literature, price list, quotation, invoice, communication or other document or information issued by it.

Nothing in these terms and conditions shall affect the rights of the Customer under the Consumer Guarantees Act 1993 provided that if the Customer is, or holds itself out to be, acquiring the goods for the purposes of a business then the guarantees under the Consumer Guarantees Act 1993 are excluded.

Personal Property Securities Act 1999 (PPSA)

The goods shall be the collateral as that term is defined in the PPSA. The Customer grants in favour of the Company a charge over all goods supplied by the Company where such goods have been delivered or supplied but the Customer has not paid all moneys owed to the Company, and over all the Customer's present and after-acquired property supplied by the Company, and such charge shall be a "security interest" for the purposes of the PPSA and shall secure payment of all moneys owed by the Customer to the Company including interest and other amounts payable under these terms and conditions and the costs of registering such security interest.

Where a charge granted over any goods is a registrable security interest under the PPSA the following shall apply:

1. The Customer irrevocably appoints the Company as the Customer's attorney to do anything required to register the security interest on the Personal Property Securities Register including the authority to make such inquiries and obtain such information from third parties as is necessary or desirable to register the security interest.
2. The Customer consents to the collection from any third party of any information necessary or desirable to register the security interest.
3. The Customer will provide such information and do such acts and execute such further documents as in the opinion of the Company may be necessary or desirable to enable the Company to register and perfect under the PPSA the security interest as a first priority interest or with such other priority as the Company may agree in writing.

The Customer shall not challenge in any way the Company's right to register the security interest. The Customer shall not seek to obtain or register a discharge of the security interest without the prior written consent of the Company.

The Customer agrees that sections 114(1)(a), 116, 117(1)(c), 119, 120(2), 121, 125 to 127, 129 and 131 to 133 of the PPSA shall not apply to these terms and conditions or the security created hereunder.

The Customer waives the right 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 and conditions.

The Customer must not change its name without first notifying the Company of the new name not less than seven days before the change takes effect.

The Customer must not allow or permit the creation of a lien over any goods prior to payment in full to the Company of all moneys owed by the Customer to the Company.

The Customer will upon demand pay all the Company's expenses and legal costs (on a solicitor and own client basis) in connection with the registration of a financing statement or financing change statement relating to the security interest created by these terms and conditions or of obtaining an order under section 167 of the PPSA.

If all moneys owed by the Customer have been paid to the Company in full, including all moneys payable under these terms and conditions, the Company shall at the request of the Customer and at the Customer's cost, register a discharge of the security interest.

General Terms

These terms and conditions remain in force notwithstanding any neglect, forbearance or delay in enforcement. The Company shall not be deemed to have waived any term or condition unless such waiver shall be in writing and signed by a director or senior officer of the Company and any such waiver shall apply only to the particular transaction to which it refers.

If any clause or provision of these terms and conditions shall be held illegal or unenforceable by any judgment of any Court or Tribunal having competent jurisdiction, such judgment shall not affect the remaining provisions which shall remain in full force and effect as if such clause or provision held to be illegal or unenforceable had not been included.

The contract shall be governed by the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the Courts of New Zealand.

In these terms and conditions:

1. 'Customer' means the person, firm, company or entity purchasing goods from the Company;
2. 'invoice' includes any written quotation and other contractual document issued by the Company;
3. 'goods' means all goods sold or to be sold by the Company to the Customer;
4. 'Property' means the goods supplied.

NEW ZEALAND MEDICAL & SCIENTIFIC LTD