

STANDARD TERMS & CONDITIONS OF PROCUREMENT

These terms and conditions govern the performance of the Purchase Order or Service Order as agreed upon by Contractor and Western Australian Specialty Alloys Pty Ltd (herein called the Company). This order when accepted by Contractor shall constitute the entire contract with reference to the subject matter and subject to the following terms and conditions, shall not be altered, amended, supplemented or cancelled without written approval of Contractor and Company. Either Contractor's written acceptance of this order or the delivery of any article of commencement performance hereunder, shall constitute acceptance of this Order and no contrary or additional terms or conditions shall apply notwithstanding any oral or written statement made by Contractor.

1. Delivery

Contractor must make immediate delivery of goods ordered unless otherwise specified. Company reserves the right to cancel all or any part of the Order. Goods shall be delivered FIS consigned to destination as specified in Company's Purchase Order. Irrespective of shipping terms goods will remain at Contractor's sole risk and expense until authorised acceptance and receipt is issued by Company. If goods are not FIS destination and where no other delivery instructions are specified in Company's Purchase Order, they shall be delivered prepaid and charges shown as a separate item, supported by a receipt, on Contractor's Invoice.

2. Inspection

If upon arrival in Australia the goods and/or the supporting documentation relating to this order fail to meet AQIS (Australian Quarantine and Inspection Service) import conditions, AQIS will order the shipment to be inspected/treated under AQIS supervision. This will involve costs and delays before the shipment can be delivered to WASA. WASA will seek compensation from the supplier when our melting/production schedule is affected as a result of goods/documentation failing to meet the required AQIS standard. Refer RMS conditions 4.1 and 5 relating to WASA's requirements.

All goods and services shall be subject to inspection by Company at destination set out overleaf under markings but neither Company's inspection or failure to inspect same shall relieve Contractor of its obligations hereunder. If in Company's option, any one or more of the goods fail to conform to specifications or is otherwise defective or unsuitable for the purpose for which it is required by Company, Contractor shall promptly replace the same at Contractor's expense. No acceptance or payment by Company shall constitute a waiver of the foregoing. Goods rejected for just cause will be held for Contractor's account.

3. Packaging and Packaging Slips

All goods shall be property and adequately packed, boxed or crated to prevent damage during transit from the point of despatch until arrival at their ultimate destination under conditions which could involve multiple handling, reshipment, extended outside storage, exposure to rain and salt spray and other moisture. Two (2) copies of packing slips must be supplied. One copy enclosed with the materials and the other attached, in an envelope, to the outside of the crate or packing.

4. Charges and Taxes

Contractor agrees to pay and discharge all valid taxes, likeable claims, charges or other imposition imposed by law on Contractor, arising out of, in conjunction with, or resulting from the Order. Contractor agrees to indemnify Company against any liability for any such taxes imposed on Contractor's services that Company has agreed to pay for. If upon completion of any particular services Company shall have cause to believe that there are unsatisfied claims for labour, materials, taxes, liabilities or injuries to third persons or property it may request and Contractor shall furnish proof satisfactory to Company that such claims and liabilities are satisfied. The amount due as provided shall be paid by Company to Contractor, subject however to the right of Company to withhold payments with respect to liens for labour or material or if Company has notice of any unsatisfied claims or liabilities.

5. Provisions for Labour and Materials

Contractor shall furnish at its own expense and cost, any and all necessary labour, tools, equipment, transportation, permits, materials and whatever else is necessary in the performance and completion of this Order other than such items thereof as Company specifically agrees to furnish.

6. Independent Contractor

Shall be an independent contractor in respect of this Order and neither Contractor or anyone used or employed by Contractor shall be deemed for any purpose for the agent, servant or representative of Company in performance of this Order or in any matter dealt with herein.

7. Indemnify

Contractor shall indemnify and save harmless Company from all liabilities and obligations of any nature whatsoever which Company or Contractor may sustain or incur as a result of our connections with the performance of the purported performance of this Order.

8. Insurance

Contractor shall in all circumstances where performance of this Order required Contractor to enter upon premises occupied by or on behalf of Company, obtain and continuously carry insurance and shall require that each of his subcontractors obtain and continuously carry insurance as set forth below.

- a) Worker's Compensation Insurance as required by law and its usual Employer's Liability Insurance in respect of all its employees for all periods during which services are provided under this agreement and notwithstanding that such is the case, Contractor hereby indemnifies Company against all claims for injuries to or death of Contractor's employees which may be made by or on behalf of the employees or their families. Such Insurance shall be endorsed to fully indemnify Company against any liability including its Common Law Liability which it may incur under any applicable Worker's Compensation Legislation in relation to employees engaged as aforesaid.
- b) Motor Vehicle Liability Insurance covering all motor vehicles owned or non-owned, operated or licensed by Contractor with a minimum bodily injury and property damage of not less than \$5,000,000.00.
- c) Comprehensive Public Liability Insurance with a minimum bodily injury damage limit of \$1,000,000.00.
- d) Insurance coverage for all plant and equipment (including coverage for all plant and equipment owned by the Company) used or to be used on connection with the performance of the services specified overleaf in respect of loss, destruction or damage of or to the property insured arising from any cause whatsoever for an amount not less than its full replacement value.

The policies evidencing all such insurances shall contain a waiver by the Underwriter of rights of subrogation against Company.

Company may request evidence that Contractor has complied with this provision and failure to request the same shall not operate as a waiver hereof. Failure to maintain such insurance as aforesaid shall constitute sufficient grounds for immediate cancellation or suspension of the Order.

9. Payment

Unless otherwise indicated, the price overleaf includes packaging to international sea freight standard and delivery to destinations specified. Unless otherwise agreed, payment of Invoices which must show Company's Order Number will be made 120 days from the invoice date, the work so completed or the Invoice is acknowledged as received, whichever is the later.

10. Jobsite

Contractor shall fully acquaint himself with jobsite and the location and nature of any underground facilities, including, but not limited to electrical transmission lines, pipelines, transmission lines and petroleum and natural gas storage facilities and Company shall not accept responsibility for failure of Contractor to effect such acquaintance and in particular, Company will not be liable for any increase in consideration due to Contractor for failure of Contractor to anticipate difficulties which may be encountered.

11. Warranty

Contractor hereby warrants that materials and goods supplied are fit for the purpose made known to Contractor by Company or reasonably known to Contractor or if no purposes have been made known that materials and goods of merchantable quality Contractor warrants that all work performed and materials or goods supplied hereunder shall be free from defect in design, workmanship or departure from specifications and that the performance thereof shall be in accordance with designs or specification. Contractor shall provide reasonable guarantee with all workmanship, goods supplied and materials supplied by Contractor as may be agreed upon between Contractor and Company and failing such agreement, guarantee shall be for a period of one (1) year from date of completion of services or in the case of goods supplies and materials for a period of one (1) year from the commencement of use. Contractor shall not be obliged to guarantee goods, materials and supplies supplied by others excepting that Contractor shall use its best endeavours to obtain the usual manufacturer's guarantee in respect of such goods, supplies or materials.

12. Access

Company or its authorised representatives shall have free and uninterrupted access at all times during working hours to any workshop or premises not on Company site where materials may be in preparation or stored for the purpose of this Order. Contractor if so required shall furnish all particulars as to the mode and place of manufacture of any goods, supplies or materials proposed to be used in connection with this Order and shall facilitate in every way the inspection of the same.

13. Termination

Company shall have absolute right to terminate this Order. Termination shall be effective upon Company giving Contractor written notice whereupon Company shall be relieved of all further obligations except the obligation to pay reasonable value of Contractors' prior performance.

14. Force Majeure

Either Contractor or Company shall be excused from performance of its obligations hereunder when to and to the extent that such performance are delayed or prevented (and in Company's case its need for the articles or materials is reduced or eliminated) by circumstances beyond its reasonably control or by fire, explosion, any strike or other labour dispute or any act or omission of any Government authority. Lack of funds shall not be considered a cause beyond the control of either party.

15. Patent Infringement

Contractor agrees to indemnify Company for any liability of claim whatever incurred by Company due to the use of a patented device, process, goods, materials or apparatus which is supplied

by Contractor or is embodied in goods or materials supplied by Contractor in connection with this Order.

16. Drawings

All drawings and specifications furnished by Company or Contractor vest in Company and such document shall not be disclosed by Contractor to any third party (except in connection with performance of this Order) or used by Contractor to supply goods, materials or do work for third parties without written consent of Company.

17. Applicable Law

The laws of the State of Western Australia shall govern the interpretation of this Order.

18. Time

Time shall be the essence of this Order.

19. Audit

Contractor shall maintain a true and correct set of records pertaining to the performance or purported performance of this Order and shall allow Company to audit such records upon required, provided, however that the Contractor shall have the right to exclude from such audit any trade secrets, formulae or processes.

20. Non-Waiver

No previous waiver or course of dealing shall affect Company's rights to strict performance of other or future obligations.

21. Confidentiality

The terms of this Order shall remain confidential between Company and Contractor and shall not be disclosed to third parties without prior written consent of the other party.

22. The vendor is responsible for insurance cover for the following:

Assemblies Containing Fuel or Oil

- a) Other goods being damaged by leakage during transit, or
- b) Explosion or fire

23. Quantities

Must equal the exact quantities ordered unless otherwise agreed. The Company's weights will be conclusive as to quantities received.

24. Asbestos Content of Materials

It is the policy of the Company wherever possible to replace materials containing asbestos with materials which have a smaller asbestos content or preferably are asbestos free. Accordingly you are required to state clearly in your tender whether materials you are offering to us for sale have an asbestos content and to provide us with full details of the extent of such content.

25. Materials

Drawing specifications, other materials forming part of the tender documents or furnished to suppliers, may be the subject of copyright belonging to Western Australian Specialty Alloys Pty Ltd or original equipment manufacturers or suppliers and are made available to tenderers and suppliers on a confidential basis and subject to the conditions that:

- a) They are to be used only for purposes of this Order/tender and in the case of successful tenderers and suppliers for purposes of the design, manufacture and supply of the articles the subject of this Order/tender.
- b) All such materials are to be returned to Company on completion of the contract and are not to be used for any other purpose.
- c) In the case of unsuccessful tenders, all such materials are to be returned to Company on the basis that it has an implied licence in law to do so for purposes of this Order/tender which is for the supply and/or installation of parts/components required for purposes of repaired or original equipment which may have been supplied by parties other than the present suppliers/tenderers and in which parties copyright may vest and all tenderers and suppliers are accordingly required to adhere strictly to the condition hereinbefore set out.

26. Chemicals

Prior to commencement of any work upon premises occupied or on behalf of the Company, the Contractor shall supply the information required on the Company's Chemical Data sheets for all chemicals to be used in the performance of the contract (i.e. paints, hand cleaners, solvents, etc). Company maintains a Hazardous Material Register and all chemical compounds are vetted prior to use on site by the Occupational Hygiene Department and directions issued for its use/application and protective gear worn by the users. The Contract shall comply with these directions.

27. United States and Australian export control.

U.S. & Australian Export Control laws apply to the products and technologies covered by the Purchase Order. Export or re-export of these products or technology may require the prior approval of the U.S. and/or Australian governments in accordance with the US Export Administration Regulations, ITAR and OFAC rules, and Australian DEC and DFAT requirements. Contractor agrees to abide by all U.S. and Australian export laws. Diversion contrary to U.S. and Australian law is prohibited.