

RUN ENERGY PTY LIMITED – PURCHASE ORDER TERMS AND CONDITIONS

1.0 Definitions

In this Purchase Order:

“**Manuals**” means any manuals, directions, specifications or other documents relating to the use, operation, installation or manufacture of the Merchandise specified in this Purchase Order or customarily supplied or required for use with the Merchandise;
 “**Merchandise**” means the goods and/or services specified in this Purchase Order, including variations, as contemplated by section five (5) of this Purchase Order;
 “**Run Energy**” means Run Energy Pty Limited, ACN 102672766 registered in Australia; and
 “**Supplier**” means the person, firm, entity or corporation to whom this Purchase Order is addressed or directed.

2.0 Agreement

This Purchase Order, together with any specifications or other documents incorporated in it by reference, and any quotations or other documents issued by the Supplier (to the extent that same are consistent with this Purchase Order) constitutes the entire agreement between the parties with respect to the purchase of the Merchandise. Changes to this Purchase Order will be binding only if specified in writing and signed by an authorized representative of Run Energy.

3.0 Inspection

3.1 Run Energy shall be entitled to inspect and test the Merchandise, including any materials and workmanship related to the Merchandise, at either Supplier's premises or at a location designated by Run Energy. Run Energy may (i) reject the Merchandise (or any materials or workmanship related to the Merchandise) if it does not comply with the requirements of this Purchase Order and/or (ii) direct Supplier to promptly repair or replace, at Supplier's sole expense, any rejected Merchandise or any materials and workmanship related to the Merchandise. If Supplier fails to promptly repair or replace the Merchandise or any materials or workmanship related to the Merchandise, Run Energy may seek repair or replacement of the Merchandise (including any materials and/or workmanship related to the Merchandise) and the cost for the same shall be borne solely by Supplier.

3.2 Rejected Merchandise shall be removed promptly after notification of rejection and at Supplier's sole expense. Supplier shall bear all risk associated with the removal and transport of rejected Merchandise including, but not limited to, any damages incurred by Run Energy in any way related to the Merchandise.

3.3 Inspection by Run Energy or by any representative of Run Energy shall not negate or vary the terms and conditions in this Purchase Order or evidence acceptance of the Merchandise by Run Energy or otherwise relieve Supplier of any of its obligations under this Purchase Order.

4.0 Program & Progress

If requested in the Purchase Order, Supplier shall submit program and progress schedules to Run Energy in the timeframe, form and frequency specified. Supplier shall permit Run Energy's representatives access to Supplier's premises at reasonable times to check progress.

5.0 Variation

5.1 Run Energy may amend the specifications, or the method of manufacture, of the Merchandise by written notice to Supplier, specifying the manner in which the specifications or the method of manufacture of the Merchandise shall be varied. Supplier shall manufacture the Merchandise in accordance with any such notice provided that:

- (a) delivery of the Merchandise has not, as of the date of the notice, been made or commenced to be made;
- (b) the notice provides a reasonable time extension for delivery of the Merchandise; and
- (c) Run Energy pays a reasonable amount to compensate Supplier for the variation required by the notice.

5.2 In determining a “reasonable amount” as referred to under section 5.1 (c), Run Energy shall take into account the original unit price of the Merchandise and any increases in the cost of labour and materials between the date of this Purchase Order and the date of the notice.

6.0 Assignment

This Purchase Order shall not be assigned or sublet by Supplier except with the prior written consent of Run Energy.

7.0 Conditions and Warranties

7.1 Supplier warrants, as a material condition of this Purchase Order, that:

- (a) Supplier has title to and the unencumbered right to sell the Merchandise to Run Energy;
- (b) the Merchandise comports in all respects to the description of the Merchandise in this Purchase Order;
- (c) the Merchandise is fit for the purpose for which it is intended; and
- (d) the Merchandise is of merchantable quality.

7.2 Supplier warrants that the Merchandise is free from defects in workmanship and material. This warranty shall commence when Run Energy obtains first beneficial use of the Merchandise and shall continue for a period of twelve (12) months from such use or eighteen (18) months from the date Supplier gives notice of delivery in accordance with section 12.1, whichever occurs first.

8.0 Compliance with Laws

Supplier shall strictly comply with all laws applicable to the manufacture and/or supply of the Merchandise and, upon request by Run Energy, Supplier shall furnish evidence of such compliance as Run Energy may reasonably require.

9.0 Taxes and Other Charges

9.1 Any taxes or other charges imposed on or with respect to the manufacture and delivery of the Merchandise shall be the sole responsibility of Supplier unless otherwise specifically provided in this Purchase Order. Goods and services tax charges, however, shall be payable by Run Energy. Any charge for the same shall be itemised in invoices submitted by Supplier to Run Energy for payment of these charges.

9.2 Supplier agrees that any cost difference due to a variation in monetary exchange rates with respect to the Merchandise shall be borne by Supplier unless otherwise specifically stated in this Purchase Order.

10.0 Intellectual Property Rights

10.1 Supplier warrants, as a material condition of this Purchase Order, that the sale or use of the Merchandise does not infringe upon any patent, trade mark, copyright or other intellectual property right and Supplier hereby agrees to save, indemnify and hold Run Energy harmless from and against any action, suit, claim or demand asserted against Run Energy arising out of any such infringement, whether such action, suit, claim or demand is asserted by persons or entities claiming such a right or by any person or entity asserting a claim concerning or relating to the Merchandise against Run Energy for the same.

10.2 If the Merchandise is manufactured to the specifications of Run Energy, any intellectual property rights arising from such manufacture or in any way related to the Merchandise shall be owned solely by Run Energy.

11.0 Secrecy

11.1 All plans, drawings, specifications, documents or other tangible items supplied by Run Energy to Supplier in connection with the Merchandise shall remain the sole property of Run Energy and any information derived from them or otherwise communicated to Supplier shall be treated by Supplier as secret and confidential and shall not, without the prior written consent of Run Energy, be published or disclosed to any third party or used in any manner by Supplier, except in connection with this Purchase Order.

11.2 Supplier shall not disclose any information relating to Run Energy's use of the Merchandise to any person or entity for any purpose without the prior written consent of Run Energy.

12.0 Delivery

12.1 Delivery of the Merchandise shall be made within the time stipulated in this Purchase Order. Time is of the essence regarding Supplier's performance under this Purchase Order, including delivery. Supplier shall provide forty-eight (48) hours written notice prior to delivery.

12.2 Supplier shall promptly complete the manufacture and delivery of the Merchandise pursuant to this Purchase Order. If Supplier fails to achieve any of the key dates for commencement and completion of any part of the manufacture or delivery (such key dates being set forth in this Purchase Order) such failure shall be conclusive evidence of Supplier's default under the terms of this Purchase Order.

12.3 If Supplier fails to make delivery promptly or fails to proceed to complete with reasonable speed, Run Energy shall be entitled to terminate this Purchase Order, or such parts of it affected by the delay, and Supplier hereby waives any claim for damages against Run Energy a result of such termination.

12.4 Partial delivery of the Merchandise will not be accepted without Run Energy's prior written agreement.

12.5 All deliveries shall be accompanied by the Manuals (if applicable) and a packing list detailing the purchase order number, item number and tag number. One copy of the packing list shall be included with the Merchandise and an additional copy shall be hand-delivered to Run Energy or its representative on or before delivery.

12.6 All items and subparts to items shall be clearly tagged and numbered.

12.7 Each package or crate shall be clearly identified with Supplier's name, Run Energy's name, purchase order number, and catalogue number, if any.

13.0 Inspection and Acceptance of Merchandise

The Merchandise covered by this Purchase Order shall be subject to inspection and acceptance or rejection by Run Energy after delivery, notwithstanding prior payment, it being understood and agreed that payment shall not constitute acceptance. Acceptance shall not occur until Run Energy is satisfied that the Merchandise complies with all requirements of this Purchase Order. Ownership and title to the Merchandise shall pass to Run Energy on delivery of the same to the point of delivery specified in this Purchase Order and written acceptance by Run Energy. Supplier warrants that the cost of delivery and insurance of the Merchandise for delivery has been included in the unit price and Supplier shall be solely liable for those delivery and insurance costs

14.0 Terms of Payment

Unless otherwise specified in this Purchase Order, after delivery of the Merchandise and the Manuals and upon receipt of Supplier's written remittance to Run Energy for the same, Run Energy shall make payment within thirty (30) days from the end of the month in which the Merchandise is supplied to Run Energy.

15.0 Notices

All notices, requests, demands or other communications required or permitted under this Purchase Order shall be in writing and will be deemed sufficiently given if hand delivered with receipt acknowledged, mailed by certified or registered mail, postage prepaid, return receipt requested, sent by any expedited delivery service which provides proof of service or transmitted by facsimile, such facsimile accompanied by a transmission report and followed by the delivery of a hard copy of such notice. The parties agree that their respective contact information, including addresses and fax numbers as shown on the cover page of this Purchase Order, is the contact information to be used for any notices to be provided under this Purchase Order, unless either party notifies the other in writing of revised contact information.

16.0 Governing Law/Venue/Arbitration

Any dispute arising out of or in any way related to this Purchase Order and/or the Merchandise shall be governed by the laws of Victoria, Australia and the parties submit to the non-exclusive jurisdiction of the courts of Victoria, Australia.