



UNIT B4 27-29 FARIOLA ST. SILVERWATER NSW 2128

TEL: 02-9648 6268

FAX: 02-9648 6269

TERMS & CONDITIONS OF SUPPLY AGREEMENT

TERMS AND CONDITIONS OF SUPPLY

These terms and conditions apply to the supply of the products and services to the customers by
POWERHOUSE PC WORLD

These Terms and Conditions and any document(s) referred to in them constitute the entire agreement
about

POWERHOUSE PC WORLD 'S supply of the Products and Services to the Customer and supersedes
all prior understandings,
arrangements, representations and agreements.

Words used in these Terms and Conditions which have special meanings are given capital letters and are
defined in

clause 1. A reference in these Terms and Conditions to:

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

(b) the word "including" means "including, but not limited to," and the word "includes" means "includes,
without
limitation,".

1.

Definitions

1.1

In these terms and conditions,

'PH' means POWERHOUSE PC WORLD. (ABN: 52 093 617 380)

'Customer' means the person, business, company or other legal entities that is the purchaser of the
Products and Services.

'Products' means the products supplied to the Customer by PH and described in the Tax Invoice.

'Services' means the services provided to the Customer by PH and described in the Tax Invoice.

'Invoice' means the tax invoice issued by PH in respect of the Products and Services supplied to the
Customer in which these Terms and Conditions are or are deemed to be incorporated.

'Sales Contract' means any sales contract entered into by the Customer and PH in respect of the
Products and Services supplied to the Customer in which these Terms and Conditions are or are deemed
to be incorporated.

1.2

Nothing in these terms and conditions shall be read or applied so as to exclude, restrict or modify or
have

the effect of excluding, restricting or modifying and condition, warranty, guarantee, right or remedy
implied

by law (including, without limitation the Trade Practices Act 1974 and the Fair Trading Act 1987) and
which

by law cannot be excluded, restricted or modified.

2.

Orders

2.1

All orders for Products and Services placed by the Customer:

(i)

must be made in accordance with PH order policy as amended by PH from time to time, the current version of which is set out in Schedule A to these terms and conditions.

(ii)

are subject to acceptance by PH, and no order will be deemed to have been accepted by AIT unless such acceptance has been confirmed in writing by an authorized representative of PH to the Customer.

2.2

PH may reject any order placed by the Customer if there is an insufficient supply of products which prevents PH from being able to fulfill such order.

2.3

PH will not be bound by any terms and conditions attaching to the Customer's order and, unless these terms and conditions are expressly agreed in writing by PH, the Customer agrees that those terms and conditions are excluded.

3.

Payment

3.1

The price of the Products and Services will be PH's quoted price.

3.2

Payment is required prior to delivery of the Products (unless otherwise agreed by PH or its authorized representative). If the Customer fails to make payment in accordance with this clause 3.2 after demand for payment by PH, all amounts owing by the Customer to PH on any account will immediately become payable.

3.3

PH may, in its sole discretion suspend the provision of credit to the Customer until all amounts owing are paid in full; and from time to time and at any time, vary or cancel any credit facility it makes available to the Customer.

3.4

The Customer will be liable to pay interest on any overdue amount at the annual rate of 10% above the prevailing base lending rate quoted by the WESTPAC AUSTRALIA and the interest will accrue on a daily basis from the date payment became overdue until PH has received payment of the overdue amount, together with any interest that has accrued.

3.5

Unless stated otherwise in these Terms and Conditions (or in writing by an authorized representative of PH), all prices quoted for Products and Services are exclusive of all taxes, handling, delivery, agents' charges and any other charge, duty or impost.

3.6

The Customer must pay PH, on demand, any tax (other than income tax) payable under these Terms and Conditions, any matter or thing done under these Terms and Conditions or any payment, receipt or other transaction contemplated by these Terms and Conditions, including any goods and services or value-added tax, customs duty, sales tax, excise duty, stamp duty, other duty, governmental charge, fee, levy or

impost, together with any fine, penalty or interest payable because of a default by the Customer.

3.7

The Customer must pay to PH any amount the Customer is required to pay under clause 3.6 in full,

notwithstanding any right of set-off that the Customer may have.

3.8

Any amounts paid to PH by the Customer under this Clause 3 must leave in the hands of PH following payment of any relevant tax or other amount, the same amount, whether the tax or other amount is payable or not.

4.

Delivery

4.1

The delivery times made known to the Customer are estimates only and PH shall not be liable for late delivery or non-delivery. Under no circumstances shall PH be liable for any loss, damage, or delay suffered or incurred by the Customer or its customers arising from late or non-delivery of the Products

or

Services.

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4.2

PH may make part deliveries of any order, and each part delivery will constitute a separate supply of the Products or Services upon these Terms and Conditions.

5.

Inspection and Acceptance

5.1

The Customer must inspect all Products upon delivery to the Customer's premises and must, within 7 days of delivery, give notice to PH of any matter or thing by which the Customer alleges that the Products are not in accordance with the Customer's order. Failing such notice and to the extent permitted by law, the Products will be deemed to have been delivered to and accepted by the Customer.

6.

Title and Risk

6.1

Products supplied by PH to the Customer will be at the Customer's risk immediately upon delivery of the Products to a recognized carrier for transport to the Customer or into the Customer's custody and into the Customer's custody and control (whichever is the sooner).

6.2

The Customer must:

(i)

effect and maintain with a reputable insurance company insurance for the Products, at its cost, against all risks as it thinks appropriate;

(ii)

note the interest of PH on the insurance policy; and

(iii)

produce a certificate of currency of the insurance effected by the Customer under this clause 6.2 to PH upon request.

6.3

Risk in the Products will remain with the Customer at all times unless AIT retakes possession of the Products in accordance with clause 6.6 (ii).

6.4

Title in the Products supplied by PH to the Customer will not pass to the Customer until those Products have been paid for in full.

6.5

Until the Products have been paid for in full:

(i)

the Customer must store the Products in such manner as to clearly indicate that they are the property of PH; and

(ii)

the Customer may sell the Products and keep records of the Products in the ordinary course of its business as agent for PH and must account to PH for the proceeds of sale (including any proceeds from insurance claims). These proceeds must be kept in a separate bank account.

6.6

If the Customer has breached these Terms and Conditions (including any payment obligations) or the

terms of any relevant Sales Contract, the Customer authorizes PH, at any time, to enter into any premises upon which PH's Products are stored to enable PH to:

(i) inspect the Products; and/or

(ii) reclaim the Products

6.7

The Customer agrees that the provisions of this clause 6 apply despite any arrangement under which PH grants credit to the Customer.

7.

Returns

7.1

The Customer must notify PH in writing of any Products it wishes to return within 7 days from the date of the invoice relating to those Products.

7.2

Returns will be subject to PH's returns policy as advised to the Customer and amended by PH from time to time, the current version of which is set out in Schedule B of these Terms and Conditions ("Returns Policy").

7.3

Each claim for the return of Products by the Customer will be dealt with in accordance with the Returns Policy. Any substitute Products to be shipped to the Customer in accordance with the Returns Policy will be sent by PH to the Customer by ordinary freight pre-paid. If the Customer requests that the Products be sent by means other than ordinary freight, the extra cost of such accelerated or special freight must be paid by the Customer.

7.4

PH will not be liable for any damage or defects in the Products that have been caused by the improper storage, warehousing or transport, or by any neglect, abuse or improper use, installation, maintenance or unauthorized repair of PH's products.

7.5

The provision of this clause do not extend to any Products which have been added to, modified, varied or changed by any person or party other than PH.

8.

Loss or Damage in Transit

8.1

PH is not responsible for any loss or damage to Products in transit.

8.2

PH shall give the Customer such assistance as PH may regard as reasonably necessary to press claims against carriers provided that the Customer

(i)

notifies PH and the carriers in writing within 24 hours of the receipt of the Products; and

(ii)

lodges a claim against the carrier within 3 days of the date of receipt of the Products.

9.

Force Majeure

9.1

If the performance or observance of PH's obligations under these Terms and Conditions or any relevant Sales Contract is prevented, restricted or affected by a force majeure event including strike, lock out, industrial dispute, raw material shortage, breakdown of plant, transport or equipment or any other cause beyond the reasonable control of PH, PH will give notice of such cause to the Customer and after 60 days

from the receipt by Customer of such notice, either party may terminate the relevant Sales Contract without penalty.

10.

Customer's Cancellation

10.1

Unless otherwise agreed in writing, the Customer will not have the right to cancel an order which has been

accepted by PH.

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10.2

If a Customer's right of cancellation is agreed by the parties in writing, the right must be exercised by notice in writing from the Customer to PH not later than 7 days before the estimated date of shipment

10.3
Unless otherwise agreed between the Customer and PH, upon cancellation prior to shipment, any deposit paid by the Customer will be forfeited by PH.

11.

Default of Customer

11.1

Without prejudice to any other rights that PH has under these Terms and Conditions, if the Customer fails to make any payment due to PH under these Terms and Conditions, PH may, in its sole discretion, and without further liability to the Customer:

- (i) refuse to make further supplies to the Customer under the relevant Sales Contract; and/or
- (ii) terminate the Sales Contract without notice.

12.

Warranty

12.1

PH will notify the Customer of any applicable manufacturer's warranty in relation to the Product. To the extent permitted by law, PH's entire responsibility with respect to warranties for the warranties for the Products is to pass on to the Customer the benefit of any such warranties.

12.2

To the extent permitted by law, the manufacturers' warranties referred to in clause 12 are in substitution for all other terms, conditions and warranties, whether implied by Statute or otherwise (including any implied warranties with respect to merchantability, fitness for purpose or quality, and whether as to design, assembly, materials or workmanship) and all such terms, conditions and warranties are expressly excluded from these Terms and Conditions.

12.3

Certain legislation may imply warranties or conditions or impose obligations upon PH which cannot be excluded, restricted or modified or cannot be excluded, restricted or modified except to a limited extent. These Terms and Conditions must be read subject to those statutory provisions. If those statutory provisions apply, to the extent to which PH is able to do so, its liability will be limited, at its option, to :

- (i) in the case of the Products: the replacement of equivalent Products or resupply of equivalent Products; the repair of the Products; the payment of the cost of replacing the Products or acquiring equivalent Products; or the payment of the cost of having the Products repaired; and
- (ii) in the case of Services: the supply of the services again; or the payment of the cost of having the services supplied again.

13.

Liability

13.1

To the extent permitted by law, PH will not be liable to the Customer or any other person under any circumstance for any loss of use, profit, revenue, interest, goodwill or data, or for any injury or death to any

person, or for any indirect, incidental or consequential damages sustained or incurred by the Customer, whether such liability arises directly or indirectly as a result of:

(i)

any negligent act of omission or willful misconduct of PH or its employees or agents;

(ii)

the supply, performance or use of any Products or Services; or

(iii)

any breach by PH of its obligations under these Terms and Conditions or any relevant Sales Contract.

13.2

PH does not promise that repair facilities or parts will be available in respect of the Products.

14.

Credit Assessment

14.1

If any Products and Services are supplied to the Customer on credit, PH may need to disclose to a credit reporting agency certain information referred to in clause 14.3 about the Customer when assessing Customer's application for credit and managing the Customer's trading account with PH. The Customer authorizes PH to disclose such information to a credit reporting agency for these purposes.

14.2

Subject to PH's obligations under the Privacy Act 1988 (Cth) and any other applicable laws, PH may give

the information referred to in clause 14.3 to a credit reporting agency to obtain a consumer credit report about the Customer or to allow the credit reporting agency to create or maintain a credit information file about the Customer. The Customer agrees that PH may disclose a credit report about it to any credit provider, debt collecting agency or PH's insurers for the purposes of assessing the Customer's creditworthiness or to collect any overdue payments (as the case may be).

14.3

PH may disclose the following information relating the Customer in accordance with clauses 14.1 and 14.2

(i)

the Customer's name and address;

(ii)

credit limit on the Customer's accounts;

(iii)

the amount of any payments which are overdue for at least 60 days;

(iv)

where an overdue payment has been previously reported, advice that the payment is no longer overdue;

(v)

cheques or credit card payments which have been dishonoured;

(vi)

information that, in the opinion of PH, the Customer has committed a serious credit infringement;

and

(vii)

information that PH has ceased to supply the Products and Services to the Customer.

14.4

The Customer agrees that PH may obtain information about the Customer from any business which provides information about the commercial credit-worthiness of persons for the purposes of assessing the

Customer's application to purchase the Products and Services on credit and collecting any overdue amounts.

14.5

The Customer agrees to promptly disclose to PH any material changes in their financial status and to comply with other terms and conditions under which PH will conduct all credit related procedures. A material change in financial status may be, but is not limited to the following:

(i)

a downgrade to a below investment grade rating of senior long term debt by a major rating agency;

(ii)

being placed on credit watch list with negative implication by a major rating agency if senior long term debt does not have an investment grade rating;

(iii)

a bankruptcy filing;

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(iv)

insolvency;

(v)

filing of a material lawsuit that could adversely impact current or future financial results

14.6

PH may refuse to supply the Products and Services to the Customer on credit on the basis of PH's credit assessment of the Customer.

15.

Privacy

15.1

The Customer agrees to PH collecting, using and disclosing information about the Customer of the kind referred to in clause 14.3 for various purposes, including to:

(i)

assess credit worthiness as outlined in clause 14

(ii)

supply the Products and Services to the Customer and the management of the Customer's trading account;

(iii)

communicate with the Customer about the Products and Services which PH or its partners or affiliates may provide to the Customer;

(iv)

implement these Terms and Conditions and any Sales Contract;

(v)

comply with the requirements of relevant laws.

15.2

PH, at the written request of the Customer, will:

(i)

provide the Customer with access to any personal information relating to the Customer held by PH; and

(ii)

correct or amend any personal information relating to the Customer held by PH which is inaccurate or out of date.

(iii)

PH will handle the Customer's personal information in accordance with the requirements of relevant laws.

16.

Confidentiality

16.1

The Customer acknowledges that PH has disclosed and may from time to time disclose to the Customer certain confidential information and documentation of PH relating to the Products, their marketing, use, maintenance, operation and software (including technical specifications) ("Confidential Information").

16.2

Subject to clause 16.5, the Customer must:

(i)

only use the Confidential Information solely for the purposes contemplated under any relevant Sales Contract; and

(ii)

not, during the continuation of such Sales Contract or thereafter, disclose (whether directly or indirectly) to any third party the Confidential Information, other than is required to carry out such purposes.

16.3

If disclosure of PH's confidential Information to third parties is necessary, the Customer will obtain from such third parties binding agreements to maintain in confidence the Confidential Information disclosed at least to the same extent as the Customer is bound to protect PH's Confidential Information under this clause 16.

16.4

Upon the expiry or termination of any relevant Sales Contract, the Customer must cease to use and must return or destroy (as PH may instruct) PH's confidential Information in its possession or control. The Customer will not itself or through any subsidiary, agent or any other party sell, market, distribute, manufacture or otherwise deal with the Products or have such Products manufactured for it based on the Confidential Information or any other technical information provided to it by PH in accordance with these Terms and Conditions.

16.5

The provisions of this clause 16 do not extend to any information which is:

(i)

at the time of disclosure, rightly known to or in possession or control of the Customer and which is not subject to an obligation or confidentiality

(ii)

public knowledge (otherwise than as a result of a breach of this clause 16 or any other obligation of confidentiality);

(iii)

consented or approved to be disclosed by a government authority or by the requirements of relevant laws.

17.

General

17.1

PH may amend these Terms and Conditions at any time, by giving the Customer notice by mail, e-mail or by posting a notice on PH's public website. By continuing to place orders for Products and Services after these Terms and Conditions are amended, the Customer will be deemed to have accepted the revised Terms and Conditions

17.2

Any provision of these Terms and Conditions which is invalid, void, voidable or unenforceable will be read down to the extent necessary, and the remaining provisions will continue unaffected.

17.3

The Customer may not assign any of its rights and obligations under these Terms and Conditions. PH may assign its rights and obligations under these Terms Conditions to any person.

17.4

These Terms and Conditions are governed by the law applicable in the state of purchase by Customer of Products and Services and both parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of that state.

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SCHEDULE A: ORDER POLICY

The following procedures apply to all Customer orders for Products or Services placed in accordance with clause 2 of the Terms and Conditions.

A1 Minimum Orders

A1.1
Subject to availability, AIT will accept orders of any value.

A2 Collect Orders

A2.1
Customers will have 3 business days to pick up their Collects Order after the order is picked.

A2.2
A reference to a “Collects Order” in this Schedule A means any order for Products placed by the Customer with PH and in respect of which the Customer will collect the Products from PH warehouse.

A3 Payment Methods

A3.1
PH will accept payment for orders made by the following methods:

- (i) Cash
- (ii) Direct deposit into PH’s bank account
- (iii) Cheque or bank cheque (subject to bank clearance)

A4 Orders Placed by Cash Customer

A4.1 Cash Customers means those Customers who do not hold a current PH credit account.

A4.2 Cash Customers must pre-pay for all orders via accepted payment methods (as defined in A3)

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SCHEDULE B: RETURNS POLICY

The following procedures apply to all returns of products by the Customer to PH in accordance with Clause 7 of the Terms and Conditions.

B1
No Fault Products

B1.1

A No Fault Product is a Product returned by the Customer to PH in circumstances where the return is not due to the fault of PH or any fault of the Product.

B2
Handling Charges for No Fault Product Returns

B2.1

Subject to Section B5 below, No Fault Products can be returned by the Customer to PH in accordance with the procedures set out. Such returns will attract a handling charge of \$66 (comprising \$60+\$6 GST) or a restocking fee of to 20% of the value of Products returned, whichever is greater.

B2.2

Handling charges incurred will be charged to Customer's PH credit account at the time Returns Authority (RA) number is issued to the Customer.

B2.3

Cash Customer will have to settle the handling charges up front.

B3

Products Not Classified as "No Fault Product" Returns

B3.1

The handling charges specified in Section B2 will not be charged to Customers, if:

- (i) the Products are faulty;
- (ii) the Products are damaged before they are received by the Customer;
- (iii) the Products are Dead on Arrival (DOA) when they are received by the Customer;
- (iv) PH has shipped the wrong Product;
- (v) PH has short-shipped the Product; or
- (vi) PH has duplicated the order.

B4

Products Sold on a "No Returns Basis"

B4.1

AIT is entitled to supply certain No Fault Products on a "No Returns Basis".

B4.2

The expression "No Returns Basis" means that PH will not accept returns on No Fault Products.

B4.3

The Customer should refer to the PH product catalogue (printed or electronic) for details of products which are sold on a No Returns Basis.

B4.4

To the extent permitted by law, PH reserves the right to apply the No Returns Basis policy to any promotional or sale product(s) as it deems necessary. PH will use all reasonable endeavours to ensure such Products are clearly advertised and promoted as being sold only on a No Returns Basis.

B5

Returns Procedures

B5.1

AIT reserves the right to refuse returns of No Fault Products for credit.

B5.2

When returning Products for credit/replacement/repairs, Customers must complete the Return Request Authorisation Form to obtain an RA number. This RA number is valid for up to 14 days from the date of issue by PH.

B5.3

The Customer must supply:

- (i) the date of purchase of the Products and the PH invoice and/or serial number of the Products; and
- (ii) detailed faulty descriptions.

B5.4

Once the Returns Officer has identified the Product, a Credit/RMA Order for the return will be raised and the Customer will be issued with an RA number. This number must be used in all correspondence relating to the Product.

B5.5

All inward freight will be the responsibility of the Customer. PH will not cover the cost of freight on returned Products and will not accept responsibility for any damage or loss suffered by the Customer.

B5.6

Customers must return the Product to PH with the RA number clearly written on a removable sticky label on the outside of the shipping carton. If proof of purchase is required by PH, a copy of PH Tax Invoice must be faxed to the RA Department before the RA number can be issued.

B5.7

If the RA number cannot be identified, or if the returned Product does not match the RA paperwork issued by PH in terms of either quantity or PH SKU (i.e. Product Code), PH may reject the returned Product and return it to the Customer, at the Customer's expense.

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DIRECTOR
PRINT NAME _____ SIGNATURE _____

DATE: _____

PURCHASING MANAGER
PRINT NAME _____ SIGNATURE _____

DATE: _____

