

THIS SUPPLY AND CONSIGNMENT AGREEMENT made on the date stated in Item 2 of the Schedule.

BETWEEN: Hostmann Steinberg Australia Pty Limited ACN 115 955 327 of Unit 108-110, 45 Gillby Road, Mt Waverley, VIC 3149 (“**Hostmann**”);

AND: **The Party Described in Item 1 of the Schedule** (the “**Customer**”).

RECITALS

Hostmann is a distributor of Products for the printing industry in Australia.

The Customer wishes to purchase Products from Hostmann on a consignment basis.

Hostmann has agreed to supply the Products to the Customer on a consignment basis on the terms and conditions of this Agreement and in accordance with the Terms and Conditions of Trade.

OPERATIVE PARTS

1. Term

The initial term of this Agreement will be from the commencement date stated in Item 2 of the Schedule until the date stated in Item 3 of the Schedule unless terminated in accordance with this agreement or the terms and conditions of trade marked Annexure “A” to this Agreement, as amended from time to time (“**Terms and Conditions of Trade**”). After the expiry of the initial term, this Agreement continues until terminated in accordance with this agreement or the Terms and Conditions of Trade.

2. Supply of Products

Hostmann will supply the products specified in Item 4 of the Schedule (“**Products**”) to the Customer :

2.1. on the terms of this Agreement; and

2.2. on the Terms and Conditions of Trade,

and to the extent that, the Terms and Conditions of Trade are contrary to or inconsistent with the terms of this Agreement then the terms of this Agreement will prevail. These terms and the Terms and Conditions apply to the exclusion of any of the Customer's terms of acquisition whether, incorporated in the Customer's purchase order or elsewhere.

3. Supply by Consignment

3.1. Hostmann agrees to supply to the Customer the Products on consignment on or around the first day of each month so that the number of Products the Customer holds in its possession on consignment does not fall below the minimum quantity specified in Item 5 of the Schedule (“**Minimum Quantity**”). Hostmann agrees to supply additional Products to the Customer on consignment on receipt of a purchase order received from the Customer from time to time.

3.2. Subject to the requirements in clause 9, in respect of the Products consigned to the Customer pursuant to clause 3.1, and in consideration of the delivery of the Products from Hostmann to the Customer, the Customer agrees to:

3.2.1. use its best endeavours to sell the Products;

3.2.2. maintain suitable premises for the storage of the Products and handle and store the Products in accordance with any provisions in that State or Territory and any requirements provided for on the packaging and labelling of the Products;

3.2.3. keep the Products insured in the name of itself and Hostmann against loss or damage of an amount no less than the amount specified in Item 7 of the Schedule from the time they are at the risk of the Customer until title passes to the Customer. The Customer

must produce evidence of insurance satisfactory to Hostmann from time to time upon request by Hostmann. ;

allow a Hostmann representative access to consignment Product on or around the 25th day of each month for the purposes of determining the amount of Product consumed and the required amount to be delivered on or around the 1st day of the following month to maintain agreed stock levels. The Customer must sign the Hostmann consignment sheet to verify that the count is correct.

conduct a stock-take of consignment Products held at its premises or warehouses at the same time as it conducts a stock take of other stock held at its premises or warehouses and provide Hostmann with a copy of the results of the stocktake of the Products within one (1) business day of completion.

4. **Prices and Payment for Products**

4.1. Hostmann will supply to the Customer the prices of the Products (plus GST) at the time of delivery of the Products and a tax invoice for the:

4.1.1. Products purchased in the preceding period; and

4.1.2. Products determined by Hostmann to be damaged, destroyed, stolen, lost or otherwise unaccounted for in accordance with clause 5.

4.2. The Customer must pay for the Products (plus GST) in accordance with the Terms and Conditions of Trade.

5. **Deemed Purchase of the Products by the Customer**

The Customer is deemed to have purchased the Products on the occurrence of any of the following events:

5.1. use or re-sale of the Products;

5.2. expiry of the time limit of the Products in question;

5.3. damage, destruction, theft or loss of the Products or Products that are otherwise unaccounted for; or

5.4. the Products becoming shop-soiled.

The Customer must pay for and Hostmann may invoice the Customer for such Products as if the Customer had placed a purchase order for the Products under clause 3.

6. **Return of Unused Products**

6.1. The Customer may at any time before the expiry of the time limit of the Products specified in Item 9 of the Schedule (“**Time Limit**”) return the Products to Hostmann to the address specified in Item 8 of the Schedule provided that the Products remain in the same state and condition that they were in at the time of delivery by Hostmann to the Customer.

6.2. The Customer must pay for the delivery, freight, customs, duties, levies and/or insurance in respect of the return of the Products to Hostmann.

- 6.3. The Customer will bear the risk of loss or damage of the Products in transit until arrival of the Products at the address specified in Item 8 of the Schedule.
7. **Termination by Either Party**
- 7.1. Either party may terminate this Agreement by giving not less than six (6) months written notice to the other party.
- 7.2. Either party (“**innocent party**”) may terminate this Agreement immediately at any time by giving written notice if a party (“**defaulting party**”) breaches a term of this Agreement and fails to remedy that breach within fourteen (14) days from receipt of notice from the innocent party requiring the defaulting party to remedy the breach.
- 7.3. Either party may terminate this Agreement immediately at any time by giving written notice if a party becomes bankrupt or insolvent or compounds with its creditors or has a liquidator, receiver or manager or administrator appointed to all or any part of its assets.
8. **Effects of Termination**
- 8.1. Upon expiry or termination of this Agreement for any reason:
- 8.1.1. no further consignment orders may be placed by the Customer but the terms of this Agreement will apply to all Products which are the subject of consignment orders placed, or replenishment of stock made by Hostmann under clause 3, before the notice of termination is given;
- 8.1.2. the Customer must deliver to Hostmann all unsold Product in its possession or control;
- 8.1.3. the Customer must deliver up to Hostmann, destroy or delete, as required by Hostmann, any samples and publicity, promotional and advertising materials featuring or referring to the Products; and
- 8.1.4. the Customer must return to Hostmann all originals and copies of all documents and information in any form containing or covering in any way any part of Hostmann's intellectual property;
- 8.1.5. on the expiry or termination of this agreement, the Customer must cease to use Hostmann's intellectual property, save as expressly authorised by Hostmann in writing.
9. **Title to Product**
- 9.1. Until such time that the legal and beneficial ownership of Products supplied by the Company passes to the Customer in accordance with the Terms and Conditions of Trade, the following applies:
- 9.1.1. the Customer must refrain from encumbering the Products;
- 9.1.2. the Customer must hold the Products as bailee for Hostmann subject to its right to deal with the Products in the ordinary course of the Customer's business for the account of Hostmann and pass good title in the Products to its purchasers being bona fide consumers for value without notice of the rights of Hostmann;

- 9.1.3. the Products will be stored in a manner so that they are readily distinguishable from other goods owned by the Customer or other persons;
- 9.1.4. keep all necessary records so that the Products can at all times be identified and distinguished as the property of Hostmann; and
- 9.1.5. any moneys received by the Customer as proceeds of the sale of the Products to the extent that it related to the Hostmann price for the Products, must be held in trust for Hostmann by the Customer. The proceeds of those sales must be held in a separate account or otherwise clearly identified in the books and records of the Customer.

10. **Hostmann Inspections**

For as long as there are, or should be, Products which are the property of Hostmann in the Customer's possession, Hostmann, its authorised representatives and agents are irrevocably authorised to enter the Customer's premises or warehouses during normal business hours and on two (2) days notice to:

- 10.1. inspect and take inventories of the Products held by the Customer; and
- 10.2. conduct inspections in relation to the Customer's storage, transportation and security conditions.

11. **Repossession**

Hostmann may, at any time, without notice to the Customer, enter upon premises owned or occupied by the Customer where Hostmann reasonably believes the Products the subject of the bailment referred to in clause 9.1 may be stored and re-possess the Products without being liable for any damage caused.

12. **Records**

- 12.1. The Customer must keep good and accurate records of all movements of Products.
- 12.2. The records must be made available for inspection by Hostmann, and its authorised representatives and agents from time to time during business hours and upon two (2) business days notice.

13. **Relationship of parties**

- 13.1. Nothing in this agreement constitutes a partnership between the Customer and Hostmann or, except as expressly provided, makes a party an agent of another party for any purpose.
- 13.2. No party can in any way or for any purpose bind the other party or contract in the name of the other party.

14. **Arbitration**

Any dispute arising out of or relating to a contract where the parties fail to reach an amicable resolution of such dispute which the parties agree to endeavour to do, will, if both parties agree in writing, be submitted to arbitration in accordance with and subject to the Rules for the Conduct of Commercial Arbitration of the Institute of Arbitrators, Australia. The Commercial Arbitration Act 1984 (NSW) will govern any arbitration. In the arbitration a duly qualified legal practitioner may represent each party. The decision of such arbitrator or arbitrators will be final, conclusive and binding on the parties.

15. **Governing law**

- 15.1. This agreement is governed by the laws of New South Wales.

15.2. The parties submit to the jurisdiction of its courts.

16. **Amendments**

This Agreement may be amended or modified only by written agreement of the parties.

17. **Assignment**

17.1. A party may only assign this agreement or any part of it if it first obtains the written consent of the other party.

17.2. An assignment made without the permission of the other party is a breach of this agreement.

ITEM 7 MINIMUM INSURANCE COVERAGE

ITEM 8 RETURN ADDRESS OF PRODUCTS

**HOSTMANN-STEINBERG AUSTRALIA
UNIT 108-110 / 45 GILBY ROAD. MOUNT WAVERLEY. VIC. 3149**

ITEM 9 TIME LIMIT

[6] months from delivery of the relevant Products

EXECUTED AS AN AGREEMENT

Executed for and on behalf of **Hostmann Steinberg**)
Australia Pty Limited ACN 115 955 327 by its duly)
authorised officer in the presence of:)

.....
Signature (Witness)

.....
Print Full Name

.....
Address

.....
Address

.....
Occupation

.....
Signature (Authorised Officer)

.....
Name of Authorised Officer

.....
Office Held

Executed for and on behalf of **The Customer** by its)
duly authorised officer in the presence of:)
)

.....
Signature (Witness)

.....
Print Full Name

.....
Address

.....
Address

.....
Occupation

.....
Signature (Authorised Officer)

.....
Name of Authorised Officer

.....
Office Held

SUPPLY AND CONSIGNMENT AGREEMENT

BETWEEN:

HOSTMANN STEINBERG AUSTRALIA PTY LIMITED ACN 115 955 327
("Hostmann")

AND:

THE PARTY SPECIFIED IN ITEM 1 OF THE SCHEDULE ("Customer")

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