



RAT HIRE AGREEMENT TERMS AND CONDITIONS

The Customer (which for the purpose of this Hire Agreement includes its employees, servants and agents) hereby rents from Rotational Alignment Technologies Ltd (hereby referred to as RAT) the Equipment as referred to in the Hire Agreement which includes all items, articles, accessories, documents (including operating manuals) supplied with Equipment upon the following terms and conditions.

1. CASUAL HIRE

1.1 The hire period commences on the rent start date shown on the hire agreement and continues until it terminates at 9:00 am on the first day after the period nominated on the hire agreement. Hire Days includes Saturdays, Sundays and Public Holidays.

1.2 When the equipment is not returned at the end of the hire period specified in the hire agreement, then hire charges will continue to accrue at the same daily rate as in the hire agreement until the day on which the equipment is returned complete with all the accessories and undamaged.

1.3 The hire period set out in the hire agreement is the minimum for which charges at the daily rate apply.

1.4 A hire fee at the daily hire rate and subject to a minimum total charge set out in the hire agreement will continue to be charged until the equipment is returned complete with all the accessories and undamaged. Where equipment or accessories are lost or equipment or accessories are damaged, the hire fee at the daily rate will continue to be charged and payable until the maximum transaction charge is reached OR replacement equipment or accessory(ies) is/are purchased and delivered to RAT and /or damaged equipment or accessories are replaced or repaired to serviceable condition and returned to RAT.

1.5 A minimum transaction charge of \$300 plus freight and GST will apply to the first invoice.

1.6 The hire rate shown on the hire agreement does not include preparation, packaging & freight charges, GST or other hire tax or duty recovery charges which are shown separately on the invoice.

1.7 Equipment returned before 9:00 am on any business day to the RAT Office from which it was despatched will be deemed to have been received on the previous calendar day. Equipment received after 9:00 am on any business day will be recorded as received on that business day.

1.8 The Customer acknowledges that at all times the property in and ownership of the Equipment remains with RAT and the Customer will not remove any sticker or other identification from the Equipment giving notice of RAT ownership of the Equipment.

2. DEBIT AUTHORITY

When the Customer has given a credit card or account debit authority, RAT are hereby authorised to debit all fees and charges payable under this agreement to the Customer's card or account, whether owing now or in the future.

3. OTHER CHARGES

The Customer shall be responsible for the payment of all costs, taxes, charges, imposts and expenses which arise or are incurred by virtue of this hire including:

- a) Any Stamp Duty or like or similar duty applicable to hire transactions or hire business.
- b) Any Goods or Services Tax or taxes in the manner or nature of a Goods and Services Tax.
- c) Any Value Added Tax or a tax in the manner or nature of a Value Added Tax.
- d) Any Sales Tax or tax of a similar manner or nature.
- e) Any Hire Tax or tax on hires.
- f) Any customs duties and tariffs.

If any of the above taxes or duties apply in the country of hire then such applicable tax and/or duty will be paid by the Customer in addition to the hire fee. In certain instances equipment may need to be sourced from outside of the country of hire. In those circumstances RAT reserves the rights to adjust any hire fee if there is any adverse currency fluctuation between the country of hire and the country of source. The Customer indemnifies RAT in respect of any claims for such costs, charges, imposts and expenses applied or incurred.

4. PAYMENT

Payment terms are strictly seven (7) days from date of invoice unless otherwise stated in the Hire Agreement.

5. OVERDUE PAYMENTS

If any amount is due and unpaid, the Customer agrees to pay interest on the overdue amount at the rate of 3% per month calculated daily until payment in full is received and the Equipment has been returned, whichever is the latter. The Customer is liable for all additional costs RAT may incur, including legal, administrative and collection costs to recover unpaid amounts.

6. DELIVERY AND RETURN OF EQUIPMENT

Delivery of Equipment to the Customer shall take place at the Auckland premises of RAT at the expense and risk of the Customer. Return of the Equipment by the Customer is solely at the Customer's expense and risk, even if arranged by RAT, and shall be to the premises of RAT from where the Equipment was dispatched. The Customer agrees not to ship the Equipment by post.

7. CUSTOMER'S COVENANTS

The Customer agrees with RAT that:

- a) the Equipment shall remain the property of RAT and the Customer is only a bailee of the Equipment on the terms and conditions as set out in the Hire Agreement;
- b) the Customer shall not sell, charge, pledge or part with possession of the Equipment;
- c) the Customer shall keep the Equipment at the delivery address specified in the Hire Agreement unless prior written permission has been obtained from RAT to relocate the Equipment elsewhere;
- d) the Customer shall use the Equipment in a careful and proper manner and not interfere or tamper with or let anyone else do so;
- e) the Customer shall notify RAT immediately if any judgment or order is levied against the Customer or property of the Customer or if a petition is presented for the liquidation of the Customer or an Administrator or Receiver is appointed or a scheme of arrangement is proposed;
- f) the Customer shall permit RAT its agents or servants to enter the premises where Equipment is located at all reasonable times in order to inspect the Equipment or carry out repairs to the Equipment;
- g) the Customer requires and will utilise the Equipment for its business purposes;
- h) the Customer shall keep the Equipment in a safe and proper location;
- i) the Customer shall not alter or modify the Equipment without the prior written consent from RAT;
- j) the Equipment shall at all times, whilst in the care, custody or control of the Customer, be at the risk of the Customer;
- k) The Customer accepts full responsibility for all equipment rented, including its use in accordance with any operating instructions provided or Government Acts and Regulations.
- l) The Customer will in respect of the Equipment comply with all New Zealand Laws; and
- m) The Equipment when returned to RAT will not have any information contained in or associated with it which would, if received by RAT or any other person, be in breach of any New Zealand law.

8. WARRANTY

RAT warrants that the Equipment rented is of merchantable quality and reasonably fit for the purpose for which it was designed. Nothing in these terms and conditions shall restrict, modify or exclude any conditions, warranties, rights or liabilities which may at any time be implied in this Hire Agreement by any law where to do so would render any provisions of this Hire Agreement void or unenforceable. Other than expressly provided for in this Hire Agreement the Customer acknowledges that it has not relied upon any statement or representation by RAT in respect of the Equipment or the use of the Equipment by the Customer irrespective of whether or not the Customer's purpose for the use of the Equipment is known to RAT the Customer acknowledges that under no circumstances is RAT responsible or liable for any failure or unsuitability of the Equipment to perform the purpose required by the Customer.

9. MAINTENANCE

RAT shall at its expense when it deems necessary provide maintenance and recalibration for Equipment and shall use its best endeavours to expeditiously repair or replace Equipment which may become defective during the hire period through no fault of the Customer. If the Equipment does not operate properly the Customer shall notify RAT and request instructions before taking any action. The responsibility for advising RAT of any need for recalibration rests with the Customer. RAT may at its sole and absolute discretion and for such length of time as it deems expedient replace Equipment with another of such type or model as shall for the time being be available and Equipment so substituted shall be subject to these terms and conditions.

10. TERM OF HIRE

Where the term of hire has not been entered on the hire agreement then the term shall be from month to month commencing on the date the equipment was collected by or despatched to the customer but in no event shall the term be greater than 11 months and if the equipment has not been returned sooner the customer undertakes to deliver it back to RAT on or before 4pm on the last working day of the eleventh month of hire.

11. EARLY CESSATION

Notwithstanding the hire period RAT expressly reserves to itself the right to require early cessation which may be exercised on demand and at the absolute discretion of RAT. If RAT so demands the Customer shall forthwith return Equipment to RAT. The applicable hire fee shall be adjusted and payable at the daily rate on the hire agreement for the period between the Rent Start Date and the date the equipment, complete with accessories and undamaged, is returned to RAT.

12. SAFEKEEPING

The Customer is responsible for the safekeeping of the Equipment and shall bear the risk of any loss, theft, damage or destruction of Equipment and if the Equipment shall require repair or recalibration or replacement as a result of the Customer's use of the Equipment the Customer shall bear the total cost of any such repair or recalibration or replacement including any freight charges there occasioned. Any repairs carried out by RAT will be charged at our normal hourly rates. The Customer shall pay to RAT the total new replacement cost as assessed by RAT of the Equipment which is lost, stolen, destroyed or damaged beyond repair.. The Customer shall pay to RAT a reasonable calibration and refurbishing fee in the event that ownership labels, calibration seals or anti-tamper notices affixed to Equipment are removed or defaced. Any item, article, accessory, document or thing supplied in conjunction with the Equipment (including operation manuals) not returned or are returned in damaged condition to RAT upon cessation of the hire period shall be paid for by the Customer with a fee determined by RAT being charged to the account of the Customer. In respect of damage or loss of Equipment, or failure to return all of the Equipment (including all accessories), the hire period shall continue, and the Customer shall continue to pay hire until the Equipment has been repaired and returned (including all accessories) to RAT, or the replacement cost of new Equipment or accessories has been paid by the Customer. The Customer indemnifies RAT for all loss or damage suffered as a consequence of such damage or loss to, or failure to return, the Equipment and accessories.

13. CUSTOMER DEFAULT, TERMINATION & REPOSSESSION

13.1 If the Customer is in breach of this Hire Agreement then RAT shall be entitled to treat this Hire Agreement as breached and repudiated by the Customer and with or without notice accept the repudiation and terminate this Hire Agreement whereupon the Customer shall immediately, at its own cost and expense, return the Equipment to RAT and failing such return RAT may repossess the Equipment and charge the Customer for all of its costs and expenses incurred in doing so. Any such termination shall not prejudice any right to recover any unpaid hire and the rights and obligations under clause 12. Further RAT shall be entitled to recover all damages including any consequential damages incurred.

13.2 Where the Hire Agreement is terminated under clause 13.1 the Customer consents to RAT, its servants and agents entering its premises, or any other premises where the Equipment is located, using such force as is necessary to repossess the Equipment. The Customer must provide RAT with all reasonable assistance in order to locate and collect the Equipment. If the Equipment is not available for collection at the nominated time and or place the Customer will be liable for any additional costs RAT incur. RAT will not be liable for any damage to property caused by any person in collecting the Equipment.

14. INDEMNITY

The Customer agrees to indemnify RAT and be responsible for all costs, charges and other liabilities incurred by RAT as a result of the Customer's breach of any of these terms and conditions or as a result of RAT's enforcement of any of these terms and conditions or arising out of or in any way connected with the use of the Equipment.

15. SEPARATE ITEMS OF EQUIPMENT

Where more than one item of Equipment is supplied under this Hire Agreement, in interpreting this Hire Agreement, the singular shall be read as the plural where appropriate and the hire shall be apportioned to each item of Equipment as set forth in the Hire Agreement and the conditions herein set forth shall apply separately to each individual item of Equipment as though each item of Equipment was subject to a separate Agreement.

16. LIABILITY

16.1 If the Equipment does not function as warranted or in the event of any breach by RAT of the Hire Agreement then to the extent permitted by law RAT liability (if any) for any loss, damage or injury whatsoever shall be restricted to the amount of the hire for the duration of the hire period in which the breach occurs and RAT shall not be liable for any item of so called consequential loss. If this Hire Agreement constitutes a supply of goods or services to a consumer, as defined in the Consumer Guarantees Act 1993, as amended, nothing in this Hire Agreement excludes, restricts or modifies any condition, warranty or other obligation in relation to this Hire Agreement and the goods or the services to be supplied, where to do so would be unlawful. In such case, RAT' sole liability for breach of any such condition, warranty or other obligation, including consequential loss, shall be limited to one of replacement of goods; supply of equivalent goods; refund of the invoiced value of the goods; the repair of the goods; or in relation to the services either the supply of the services again or refund of the original fee.

16.2 If the Equipment is returned or repossessed, RAT is not liable to the Customer for any consequential damage or other damage arising out of or by reason of any Customer data or information being contained in the Equipment.

16.3 RAT will not be liable for any failure to deliver the Equipment or perform services under this Hire Agreement if the failure arises as a consequence of fire, embargo, strike, inability to secure materials or labour, or any other matters beyond the control of RAT. In addition, RAT will not be liable for any delay or failure to deliver by any freight company or delivery service to deliver the Equipment to the Customer or any consequential loss or damage arising in respect of delivery of the Equipment.

17. PERSONAL PROPERTY SECURITY ACT 1999

The customer acknowledges that RAT has a Security Interest (as that term is defined in the Personal Property Security (PPS) Act 1999) in all goods supplied. They will assist as required to ensure that that Security Interest becomes a "Perfected Security Interest" (as defined in the PPS Act 1999).

18. INTELLECTUAL PROPERTY RIGHTS

All rights pertaining to industrial or intellectual property including but not limited to copyrights patents and trademarks are expressly reserved. The Customer shall not make any copies or authorise or allow any copying of anything supplied such as software programs and operating manuals except with the prior written authority of RAT and the owner/licensor and in accordance with the licence terms as applicable. All copies must be delivered up with the Equipment.

19. CONSUMABLES

RAT is entitled to separately charge for consumables including but not limited to pre-cut stainless steel shim as supplied by RAT for the operation of the Equipment.

20. SUNDRY

These Terms and Conditions constitute the entire agreement between RAT and Customer with respect to the Equipment and shall not be amended except in writing by RAT. This Hire Agreement shall be governed in all respects by the laws of New Zealand and the jurisdiction of New Zealand shall apply to any dispute arising out of this Hire Agreement.

21. CONSUMER GUARANTEES ACT 1993

Where the provisions of the Consumer Guarantees Act 1993 apply, nothing in these conditions limits any rights the buyer may have under that Act which is paramount. Where the goods are acquired for the purposes of a business (where "business" is as defined in the act), the buyer expressly agrees that the provisions of the Act do not apply.

22. HEALTH & SAFETY

The customer shall abide by all relevant statutory and common-law obligations directly or indirectly relating to or touching upon its possession or use of the equipment including without derogating from the generality of the foregoing, the provisions of the current Health & Safety in Employment Act.

23. Jurisdiction

The Hire Agreement shall be governed in all respects by the laws of New Zealand and the jurisdiction of New Zealand shall apply to any dispute arising out of the Hire Agreement.