



CLASSIC MINERALS LIMITED

71 Furniss Rd, Landsdale

Western Australia 6065

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CLASSIC MINERALS

Purchase Order Terms and Conditions

1. Interpretation

1.1. The following terms shall have the following meanings:

- 1.1.1. **Agreement** means the agreement between CLZ and the supplier as set out in the Purchase Order together with the Terms and Conditions.
- 1.1.2. **Background IPRS** means the IPRs owned by a party prior to the date of this Agreement.
- 1.1.3. **Business Day** means a day on which trading banks are open for business in Western Australia.
- 1.1.4. **CLZ** means Classic Minerals Limited (ABN 77 19 484 016) of 71 Furniss Road, Landsdale, WA 6065.
- 1.1.5. **Confidential Information** means all data and/or information exchanged between the parties for the purposes of this Agreement before, on or after the date of this Agreement (including the terms of this Agreement) relating to the operations, business, research and technology of the disclosing party, but not including any information which:
 - 1.1.5.1. is publicly available at the date of this Agreement;
 - 1.1.5.2. becomes publicly available subsequent to the date of this Agreement without breach of this Agreement;
 - 1.1.5.3. a party obtained from a third party without breach by that third party of any obligation of confidence concerning that Confidential Information; or
 - 1.1.5.4. was already in the party's possession (as evidenced by written records) when provided by or on behalf of the other party.
- 1.1.6. **Delivery Point** means the designated location for delivery of Goods as specified in the Purchase Order.
- 1.1.7. **Fees** means the amount agreed between the parties for the payment of the Goods or Services being supplied.
- 1.1.8. **Goods** means the goods specified in the Purchase Order to be provided by the Supplier.

- 1.1.9. **IPRs** means all registered and unregistered rights in relation to the present and future copyright, trademarks, designs, know-how, patents, confidential information and other intellectual property as defined in article 2 of the Convention establishing the World Intellectual Property Organisation 1967.
- 1.1.10. **Losses** means actions, claims, liabilities, expenses, losses, damages and costs (including but not limited to legal costs on a full indemnity basis, whether incurred by or awarded against a party) and consequential and indirect losses and damages including those arising out of any third party claim.
- 1.1.11. **Project IPRS** means the IPRs created in providing the Goods and/or Services.
- 1.1.12. **Purchase Order** means the the order for Goods or Services placed by CLZ.
- 1.1.13. **Services** means the services specified in the Purchase Order to be provided by the Supplier.
- 1.1.14. **Supplier** means the person or company supplying the Goods and/or Services.
- 1.1.15. **Terms and Conditions** means the terms and conditions as set out in this document.
- 1.1.16. **Warranted Materials** means CLZ's use of any Background IPRs and/or Project IPRs in the Goods and/or Services.
- 1.2. In this Agreement:
- 1.2.1. references to the singular includes the plural and vice versa; and
- 1.2.2. references to person or individuals include that person's successors, administrators, executors and assigns and a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency.

2. General

- 2.1. These Terms and Conditions apply to the order for Goods or Services placed by CLZ as described in the attached Purchase Order with the Supplier.
- 2.2. They are to be read as in addition to any terms specified by CLZ in the Purchase Order and/or any attachment to it that is expressly incorporated in writing. No other Terms and Conditions apply to this Purchase Order or to the Goods or Services under any circumstances **except** where:

- 2.2.1. CLZ first provides an alternative agreement in writing; or
- 2.2.2. these terms are replaced by a longer form agreement on CLZ's Terms and Conditions in which case the terms of that agreement will apply between the parties.
- 2.3. No amendments to these Terms and Conditions will be binding on the parties unless approved in writing by a CLZ representative with the actual delegated authority to approve any such amendments as notified by CLZ from time to time.

3. Offer and Acceptance

- 3.1. The Supplier is taken to have accepted a Purchase Order if it notifies CLZ that it accepts the Purchase Order or delivers the Goods and/or Services described in the Purchase Order.
- 3.2. If the Supplier is unable or unwilling to accept the Purchase Order, it must notify CLZ within 2 Business Days . It may propose a variation to the Purchase Order, or offer other Goods and/or Services in substitution, but any such variation or substitution must be approved by the CLZ management team in writing before delivery.
- 3.3. The Purchase Order once accepted, combined with these Terms and Conditions and any terms and conditions in the Purchase Order and/or any attachment expressly incorporated in writing, will form the Agreement between the parties.

4. Cancellation and Changes

- 4.1. CLZ may at any time before delivery change or cancel the Purchase Order.
- 4.2. If the Supplier has already incurred expense in arranging for the order or delivery of the Goods and/or Services specified in the first Purchase Order, CLZ agrees to pay the Supplier's reasonable and demonstrable costs or expenses incurred. The Supplier must mitigate any such costs or expenses.
- 4.3. If CLZ changes the Purchase Order and any change causes an increase or decrease in the cost of the Goods and/or Services, or time required to deliver the Goods and/or Services, an equitable adjustment must be made to the Fees which is appropriate to the circumstances.

5. Delivery, Acceptance and Title

- 5.1. Unless otherwise specified as such in the Purchase Order, time will be of the essence with respect to the Supplier's delivery obligations under this Agreement. The Supplier must deliver the Goods and Services as set out in the Purchase Order in accordance with the time periods for delivery specified in the Purchase Order.
- 5.2. Payment of any invoice by CLZ will not be deemed acceptance of any Goods and/or Services, but rather such Goods and/or Services will be subject to a 1-month period of inspection, testing, acceptance or rejection by CLZ. If CLZ rejects any Goods and/or Services within such 1-month period, an equitable adjustment must be made to the Fees to reflect non-delivery (the Supplier must refund CLZ accordingly).
- 5.3. Title and risk in the Goods will pass to CLZ when they are delivered to CLZ.

6. Sub-contracting

- 6.1. Except as expressly provided in the Purchase Order, the Supplier may not sub-contract any obligations under this Agreement without the prior written consent of CLZ.
- 6.2. Where the Supplier sub-contracts any of its obligations under this Agreement, the Supplier remains liable for the carrying out and completion of those obligations.

7. Fees and Invoices

- 7.1. In consideration for the provision of Goods and/or Services under this Agreement, CLZ agrees to pay to the Supplier the Fees.
- 7.2. Unless otherwise specified in the Purchase Order, CLZ agrees to pay the Supplier the Fees within 30 days of receipt and acceptance of an invoice by CLZ (such invoice to be accompanied by such reasonable information as CLZ may require). CLZ may withhold any disputed portion of the Fees until the dispute is resolved.
- 7.3. If GST is payable in connection with the Goods and/or Services to be supplied under this Agreement, then the Supplier irrevocably warrants and agrees that the Fees payable to it under this Agreement and specified in the Purchase Order is the GST inclusive price of those Goods and/or Services unless otherwise agreed in the Purchase Order.

8. Indemnity, Insurance and Warranties

- 8.1. The Supplier indemnifies CLZ against all Losses it directly or indirectly sustains or incurs as a result of:

- 8.1.1. Any negligent, unlawful or wilful act or omission of the Supplier, Supplier personnel or Supplier subcontractors;
- 8.1.2. Any infringement or claimed infringement of the IPRs (as defined) or moral rights of a third party arising out of its receipt or use of the Goods and / or Services;
- 8.1.3. Death or personal injury of any person to the extent caused by the Supplier;
- 8.1.4. Property damage to the extent caused by the Supplier;
- 8.1.5. any breach by the Supplier of the Agreement.
- 8.2. The liability of a party for breach of this Agreement, or in tort, or for any other common law or statutory cause of action arising out of the operation of this Agreement, will be determined under the relevant law in Australia that is recognised, and would be applied, by the High Court of Australia.
- 8.3. The Supplier must have and maintain Public and Products liability insurance and professional indemnity insurance (in each case \$10 million for each occurrence) throughout the term of this Agreement including the following contractual endorsements:
 - 8.3.1. a waiver of subrogation; and
 - 8.3.2. contractual liability,and the Supplier must ensure that any sub-contractor engaged by it is insured to a level commensurate with the insurance obligations of the Supplier under this Agreement.
- 8.4. The Supplier must provide CLZ with a certificate of currency from its insurance broker certifying that it has the insurance required under this Agreement.
- 8.5. The Supplier represents and warrants that:
 - 8.5.1. it has all rights, title, licences, interests and property necessary to provide the Goods and/or perform the Services;
 - 8.5.2. the Supplier personnel will have all necessary experience, skill, knowledge and competence to perform the Services, and the Services will be performed in accordance with good industry practice;

- 8.5.3. the Goods and/or Services will be fit for the purposes intended;
 - 8.5.4. if applicable, the Goods and/or Services will meet any agreed design and performance criteria and correspond with any sample;
 - 8.5.5. the Goods will be complete, accurate and of merchantable quality;
 - 8.5.6. it is entitled to grant any licence of IPRs to CLZ under this Agreement;
 - 8.5.7. CLZ's use of any Background IPRs and/or Project IPRs in the Goods and/or Services will not infringe the IPRs of any person; and
 - 8.5.8. it will supply to CLZ in English all complete, accurate and up-to-date documentation associated with the use of the Goods and/or Services.
- 8.6. If a third party claims, or CLZ reasonably believes that a third party is likely to claim, that all or part of the Warranted Materials infringe their IPRs or breach their confidence, the Supplier must, in addition to the indemnity under this Agreement and to any other rights that CLZ may have against it, promptly, at the Supplier's expense:
- 8.6.1. use its best efforts to secure the rights for CLZ to continue to use the affected Warranted Materials free of any claim or liability for infringement; or
 - 8.6.2. replace or modify the affected Warranted Materials so that the Warranted Materials or the use of them does not infringe the IPRs of any other person without any degradation of the performance or quality of the affected Warranted Materials.

9. Intellectual Property Rights and Confidential Information

- 9.1. Subject to clause 9.2, all rights, title and interest in any Project will be owned by CLZ, and to the extent needed, the Supplier hereby assigns all rights, title and interest it may have now or in the future in those Project IPRs to CLZ.
- 9.2. The IPRs owned by a party prior to the date of this Agreement remain with the contributing party.
- 9.3. The Supplier grants to CLZ a perpetual, irrevocable, royalty-free worldwide, non-exclusive licence (including a right of sub-licence) to use, reproduce, modify, publish, adapt, or communicate to the public and exploit the Supplier's Background IPRs in conjunction with the Goods and/or Services, and the Project IPRs. The Supplier must provide CLZ will all necessary documentation and materials to take advantage of this licence.

9.4. Each party ('recipient') must keep any Confidential Information disclosed to it confidential and must not deal with it in any way that might prejudice its confidentiality. These obligations continue indefinitely beyond the end of this Agreement, but do not extend to disclosures:

9.4.1. required by law; and

9.4.2. to a recipient's officers or employees:

9.4.2.1. who have a need to know for the purposes of this Agreement (but only to the extent that each has a need to know); and

9.4.2.2. before disclosure, have been directed by the recipient to keep that Confidential Information confidential.

10. Limitation of liability

10.1. Notwithstanding anything in this document, expressed or implied, in no circumstances whatsoever (including negligence) is a party entitled to recover from the other party any damages for business interruption or loss of actual or anticipated revenue, income or profits or any indirect, consequential, contingent or penal damages whatsoever arising out of, or in respect of, the Agreement, with the exception of damages covered under a policy of insurance held by the other party, for which that party's liability shall be limited to the cover available under such insurance policy.

10.2. Each party releases the other party from, and indemnifies them and shall keep them indemnified from, any such liability.

11. Confidentiality

11.1. The Supplier must keep confidential and may not use or disclose any confidential information provided by CLZ, unless that disclosure is necessary to enable the Supplier to undertake the Supply.

12. Dispute Resolution

12.1. The parties acknowledge their expectation that any dispute, difference or claim arising out of or in connection with the Agreement will be settled by discussion and negotiation between the parties' representatives or senior management.

13. Local Communities

13.1. The Supplier acknowledges that CLZ seeks to share economic benefits with indigenous and local communities through business and employment relationships, and in providing the Supply of Goods or Services under the Agreement, the Supplier will seek to encourage opportunities to benefit indigenous and local communities.

14. Delivery fo Goods

14.1. The Supplier will deliver the Goods to the Delivery Point.

14.2. The Goods must be delivered to the Delivery Point in good condition and without damage. The Supplier agrees to replace any damaged Goods at no additional cost to CLZ as soon as possible and no later than 7 Business Days from the date of original delivery.

14.3. The Supplier will provide detailed delivery documents with each delivery, in duplicate. One set of delivery documents is to be packed with the Goods, the other is to be enclosed and attached to the outside of the consignment.

14.4. Each delivery document is to contain, as a minimum, the following information:

14.4.1. CLZ's purchase order number;

14.4.2. description of and quantity of Goods;

14.4.3. details of items, not delivered or on back order.

14.5. The Supplier must co-operate with and not unreasonably interfere with work or deliveries by other suppliers and CLZ's personnel at the site.

15. Risk and title of Goods

15.1. The Goods remain at the Supplier's risk and title and will not pas to CLZ until the Goods are delivered to, inspected by, and accepted by, CLZ at the Delivery Point.

16. Compliance with laws

- 16.1. The Supplier and all of the Supplier's relevant personnel must at all times hold all such permits, licences, authorisations and accreditations as may be required for the Supplier to perform their obligations under the Agreement in compliance with the law.
- 16.2. In performing its obligations under the Agreement, the Supplier must at all times comply with:
- 16.2.1. The conditions of any permits, licences, authorisations and accreditations held by the Supplier in accordance with clause 16.1;
- 16.2.2. All laws applicable to the supply of Goods or Services; and
- 16.2.3. Any Australian Standards applicable to the supply of Goods or Services.

17. Directions

- 17.1. CLZ may give the Supplier, reasonable directions to deliver the Goods or Services in a particular manner or at a particular time. The Supplier must make all reasonable efforts to comply with any such directions, provided that the Supplier will be fairly compensated (as mutually agreed by the parties) in the event that it incurs significant additional costs or delays as a consequence.

18. Removal of Personnel from site

- 18.1. CLZ or any representative of CLZ may at any time direct the Supplier to remove from the site any person employed in connection with the Agreement, who in the reasonable opinion of CLZ, is guilty of misconduct, is incompetent or negligent or who works in an unsafe manner.

19. Miscellaneous

- 19.1. CLZ may terminate this Agreement by written notice to the Supplier:
- 19.1.1. if the Supplier breaches a term of this Agreement and fails to remedy the breach within 14 days after receiving notice requiring to do so (or the Supplier breaches a term of this Agreement which is not capable of remedy); or
- 19.1.2. if the Supplier is or becomes subject to proceedings which may result in the Supplier becoming bankrupted, wound up, under voluntary administration or subject to the control of a receiver or receiver and manager.

- 19.2. This Agreement is governed by the laws of Western Australia.
- 19.3. Each party agrees to execute such agreements, deeds and documents and do or cause to be executed or done all such acts and things as may be reasonably necessary to give effect to this Agreement. The Supplier agrees to cooperate and work with third party suppliers of CLZ to the extent necessary to give effect to this Agreement.
- 19.4. CLZ reserves the right to retain other persons or entities to supply the Goods and/or Services, including but not limited to any part of the Goods and/or Services.
- 19.5. The Supplier may only assign its rights or novate its rights and obligations under this Agreement with the prior written consent of CLZ.
- 19.6. A provision of this Agreement or a right created under it may not be waived or varied except in writing, signed by the party or parties intended to be bound. A failure of a party to exercise a right arising out of this Agreement does not constitute a waiver of that right.
- 19.7. The Supplier must comply with any applicable CLZ policies and procedures as notified by CLZ to the Supplier from time to time.
- 19.8. If required to do so whether under the *Freedom of Information Amendment Act 2006* or otherwise, the Supplier agrees that CLZ has the right to publish details of this Agreement and/or the Agreement itself in the manner set out in the applicable requirements.
- 19.9. If there is an inconsistency between a provision of:
- 19.9.1. these Terms and Conditions;
 - 19.9.2. any Terms and Conditions added to the Purchase Order;
 - 19.9.3. any annexures or attachments to the Purchase Order,
- then the first-mentioned terms shall prevail in the order set out.