1 General

The whole of the Agreement between A Touch of Europe Fashion Pty Ltd ABN 26 145 181 479 ("ATOE") and the Applicant referred to in the Credit Application ("Customer") are those set out in these Terms and Conditions as amended from time to time and those, if any, which are implied and which cannot be excluded by law ("Terms"). Any other contractual terms of the Customer (whether upon the Customer's order or elsewhere) which are contrary to or inconsistent with these Terms shall not apply nor shall they constitute a counter-offer. By receiving delivery and/or supply of all or a portion of the goods, materials and/or parts and/or labour and/or services supplied by ATOE under these Terms ("Goods"), the Customer shall be deemed to have accepted these Terms and to have agreed that they shall apply to the exclusion of all others.

2 Credit Terms

2.1 Payment is due on the twentieth (20th) day of the month following the date of the invoice rendered in respect of the supply of the Goods unless otherwise stated in writing by ATOE. ATOE may charge liquidated damages at a rate equivalent to two and half percent (2.5%) per month calculated on a daily basis if payment is not received by the due date.

2.2 ATOE's express or implied approval for extending credit to the Customer may be revoked or with drawn by ATOE at any time.

2.3 ATOE is entitled to set-off against any money owing to the Customer amounts owed to ATOE by the Customer on any account whatsoever.

2.4 Any payments received from the Customer on overdue accounts will be applied first to satisfy interest which may have accrued, second to reasonable expenses and legal costs referred to in Clause 2.5, and then to any outstanding principle of the oldest invoice.

2.5 The Customer is liable for all reasonable expenses (including contingent expenses such as debt collection commission) and legal costs (on a full indemnity basis) incurred by ATOE for enforcement of obligations and recovery of monies due from the Customer to ATOE.

3 Quotations and Pricing

3.1 If ATOE has not specified the price to be charged to the Customer at the time that the Customer places its order, the price charged to the Customer shall be the price ruling as at the date of delivery. The Customer acknowledges that ATOE's prices are subject to alteration from time to time.

3.2 Any quotation, acceptance of quotation, purchase order or other document which requires signature may be signed in electronic form, and such signature shall be binding upon the person affixing that signature.

3.3 Unless otherwise specified by ATOE, the prices exclude:

3.3.1 Any statutory tax, including any GST, duty or impost levied in respect of the Goods and which has not been allowed for by ATOE in calculating the price.

3.3.2 Costs and charges in relation to insurance, packing (other than the standard packing of ATOE), crating, delivery (whether by road, rail, ship or air) & export of the Goods.

3.4 Any variations in the invoice or contract price as a consequence of currency fluctuations shall be payable by the Customer.

3.5 The contract between ATOE and the Customer shall not be affected by any impositions or alterations of customs duties or by decisions of the Customs Department with regard to either classification or value of duty or landing charges occasioned thereby. Any such impositions shall be to the account of the Customer.

4 Delivery and Supply

4.1 Any times quoted for delivery and/or supply are estimates only and ATOE shall not be liable for failure to deliver/supply, or for delay in delivery/supply. The Customer shall not be relieved of any obligation to accept or pay for Goods, by reason of any delay in delivery/supply or dispatch. ATOE reserves the right to stop supply at any time if the Customer fails to comply with the Terms.

4.2 ATOE may refuse to supply any order by the Customer for Goods in its absolute discretion and may make acceptance of an order conditional upon it receiving a satisfactory credit assessment of the Customer.

4.3 If the Customer directs that delivery of the Goods be staggered over different times or to different addresses from those specified in the Credit Application, then the Customer:

4.3.1 shall be liable for any additional cost, charge and expense incurred by ATOE in complying with the Customer's direction; and

4.3.2 shall pay for the whole of the invoiced value of the Goods pursuant to Clause 5 notwithstanding the staggered deliveries.

4.3.3 Such action shall be deemed to be delivery to the Customer.

4.4 The Customer is deemed to accept delivery of the Goods where it is either delivered to the Cut tomer's premises or when ATOE notifies the Customer that the Goods are available for collection.

4.5 If the Customer is unable or fails to accept delivery of the Goods, ATOE may deliver it to a place of storage nominated by the Customer and, failing such nomination, to a place determined by ATOE. Such action shall be deemed to be delivery to the Customer. The Customer shall be liable for all cost, charge and expense incurred by ATOE on account of storage, detention, double cartage/delivery or similar causes.

4.6 Subject to Clause 4.1, the Customer agrees that it will be obliged to and shall pay for the Goods on the due date notwithstanding that delivery is made after the agreed delivery date, and notwithstanding that the Goods may not yet be delivered.

5 Property

5.1 Until full payment has been made for all Goods, and any other sums in any way outstanding from the Customer to ATOE from time to time:

5.1.1 All sums outstanding become immediately due and payable by the Customer to ATOE if the Customer makes default in paying any other sums due to ATOE, becomes bankrupt, or commits any act of bankruptcy, compounds with its creditors, has judgment entered against it in any court or, being a company, has a provisional liquidator, liquidator, receiver, receiver manager or administrator appointed, notwithstanding the provisions of any other clause in these Terms.

5.1.2 The property in the Goods hall not pass to the Customer and the Customer hall hold the Goods as bailee for ATOE (returning the same to ATOE on request). The Goods shall nevertheless be at the risk of the Customer from the time of delivery/supply and the Customer must insure the Goods from the time of delivery/supply.

5.1.3 The Customer is only authorised to sell the Goods (or any portion of them) to third parties as the fiduciary agent of ATOE provided that there shall be no right to bind ATOE to any liability to such third party by contract or otherwise. All payments (direct or indirect) received from such third parties by the Customer for the Goods (or any portion of them) shall be held on trust for ATOE pursuant to the fiduciary relationship.

5.1.4 In the event that the Customer incorporates or transforms the Goods (or any portion of them) into any other goods or products produced by the Customer (or a third party), then the Customer must hold a proportion of any payment ("relevant proportion") received by the Customer for such goods or products on trust for ATOE. The Customer expressly acknowledges that the relevant proportion shall be equal to the dollar value of the Goods incorporated or transformed and the Customer further acknowl edges that any part payment (not exceeding the relevant proportion) received by the Customer for such goods or products is received as payment first of the relevant proportion.

5.1.5 ATOE is irrevocably authorised to enter any premises where the Goods are kept, and to use the name of the Customer and to act on its behalf, if necessary, to recover possesion of the Goods without liability for trespass or any resulting damage.

5.2 At all times, ATOE retains the right of possession of any pallets used for delivery of the Goods and the Customer agrees to indemnify ATOE in respect of any pallets not returned to ATOE in good order and condition (as determined by ATOE) within fourteen (14) days of delivery of the Goods.

5.3 Any portable magazines in which Goods are delivered, and for which a hire charge is made, remain the property of ATOE.

5.4 In addition to any lien to which ATOE may, by statute or otherwise, be entitled, ATOE shall in the event of the Customer's insolvency, bankruptcy or winding up, be entitled to a general lien over all property or goods belonging to the Customer in ATOE's possession (although all or some of such property or goods may have been paid) for the unpaid price of any Goods sold or delivered to the Customer under this or any other contract.

6 Availability of Stock

Any order that cannot be fulfilled on its receipt will automatically be back ordered and processed when stock becomes available unless it is the Customer's stated standard policy not to accept back orders or the Customer specifically marks its order, "Do Not Back Order". Deliveries at any time are subject to availability of stock and ATOE will not be liable for any charges due to product unavailability.

7 Restrictions

7.1 The Customer acknowledges and accepts that ATOE sells its goods only through persons who have been authorised by ATOE to sell specific product categories at specific locations and who comply with ATOE's Terms and Conditions. Subject to Part IV of the Competition and Consumer Act 2010:

7.1.1 Under no circumstances may the Customer sell Goods through the Internet or the mail without prior written authorisation from ATOE.

7.1.2 The Customer is prohibited from selling Goods on the international market.

7.1.3 ATOE does not grant to the Customer the exclusive rights to sell its Goods. ATOE reserves the right to authorise and/or supply additional retailers in any market area that it deems necessary to adequately cover the market.

8 Freight

Subject to Clause 3.4 and unless otherwise agreed, ATOE will ship by the least expensive route and carrier to all points and will pass on these costs to the customer. If the purchaser chooses a route with a higher charge than the route of ATOE's choice for shipment, ATOE will charge the full cost to the Customer.

9 Returns, Cancellations and Claims

9.1 The Customer shall not return any Goods to ATOE without obtaining prior authorisation & a RAN number from ATOE. No returns will be accepted unless a copy of the relevant invoice is enclosed with the returned Goods & quoting the RAN number. A list of the Goods returned including product descriptions, quantity, date of return and the Customer's name and address must also be enclosed. Freight charges must be paid by the Customer. All Goods must be returned in the original packaging and the Customer shall be responsible for all damage incurred during return shipment. A credit note will be issued by ATOE only after Goods returned are either collected by ATOE's authorised representative or agent or returned to it by the Customer as set out above. The Customer shall not deduct the amount of any anticipated credit from any payment due to ATOE but must await receipt of a credit note.

9.2 All goods returned must be of merchantable and reasonable quality such that the goods are complete in their original packaging, not shop-soiled, are not price ticketed and are still listed in the current price list.

9.3 If ATOE accepts the return of any Goods that have been ordered, ATOE may charge the Customer thirty per cent (30%) of the invoice price as a handling fee with freight costs and risk remaining the responsibility of the Customer.

9.4 No cancellations or partial cancellation of an order by the Customer shall be accepted by ATOE unless it has first consented in writing to such cancellation or partial cancellation and unless a cancellation charge has been paid which, as determined by ATOE, will indemnify ATOE against all loss, without limitation. Cancellation will not be accepted on goods that are not regular stock which are in the process of manufacture or ready for shipment.

9.5 All complaints, claims, or notification of lost Goods, incomplete Goods, Goods damaged in transit or Goods that do not comply with the Customer's purchase order must be submitted by the Customer to ATOE in writing within seven (7) business days of the date of the invoice rendered for the supply of the Goods. Otherwise, the Customer shall be deemed to have accepted the Goods and shall not refuse to pay for the Goods on the basis that they were lost, incomplete, damaged in transit, or do not comply with the Customer's purchase order.

Signature / Initials: _____

10 Personal Property Security Interest

10.1 The Customer grants ATOE a Security Interest in the Goods (supplied as Commercial Property, more particularly described as Other Goods) and their Proceeds to secure the obligation of the Customer to pay the purchase price of the Goods and any other obligations of the Customer to ATOE under this contract (together the "Indebtedness") and, where the Goods and/or Proceeds are not readily identifi able and/or traceable or their recoverable value is insufficient to pay the Indebtedness, the security interest shall also extend to all the Goods present and after acquired by the Customer, of which the Goods form part, to the extent required to secured the Indebtedness.

10.2 As and when required by ATOE the Customer shall, at its own expense, provide all reasonable assistance and relevant information to enable ATOE to register a Financing Statement or a Financing Change Statement and generally to obtain, maintain, register and enforce ATOE's Security Interest in respect of the Goods and their Proceeds in accordance with the Personal Property Securities Act 2009 ("PPSA").

10.3 ATOE may at any time register a financing statement or financing change statement in respect of a Security Interest (including any Purchase Money Security Interest). The Customer waives any right to receive notice in relation to any registration on the register of a Security Interest in respect of the Goods.

10.4 The Customer shall not change its name or details without first notifying ATOE of the new name or details at least 7 days before the change takes effect.

10.5 The Customer warrants that the Goods are not purchased for personal, domestic or household purposes.

10.6 Notwithstanding any reference to a particular invoice/order, where any sum remains outstanding by the Customer on more than one invoice/order, any payments received from the Customer shall be deemed to be made by the Customer and applied by ATOE in the following order (unless ATOE otherwise determines):

10.6.1 To any obligation owed by the Customer to ATOE which is unsecured, in the order in which the obligations were incurred;

10.6.2 To any obligations that are secured, but not by a Purchase Money Security Interest, in the order in which those obligations were incurred;

10.6.3 To obligations that are secured by a Purchase Money Security Interest, in the order in which those obligations were incurred.

10.7 Until the Customer has paid all money owing to ATOE, the Customer shall at all times ensure that:

10.7.1 All Goods, while in the Customer's possession, can be readily identified and distinguished, and/or

10.7.2 All Proceeds (in whatever form) that the Customer received from the sale of any of the goods are readily identifiable and traceable.

10.8 Where the Goods are purchased by the Customer and held as Inventory, nothing in this clause shall prevent the Customer from selling or leasing and delivering the Goods in the ordinary course of the Customer's business. Otherwise until the Customer has paid all money owing to ATOE the Customer shall not sell or grant a Security Interest in the Goods without ATOE's written consent.

10.9 The parties agree to contract out of the PPSA in accordance with Section 115 of the PPSA to the extent that Section 115 applies for the benefit of, and does not impose a burden on, ATOE. Specifically, the following provisions of the PPSA will not apply and the Customer will have no rights under them:

10.9.1 Section 95 (to the extent that it requires the Secured Party to give notices to the Grantor); section 96; section 118 (to the extent that it allows a Secured Party to give notice to the Grantor); section 121(4); section 125; section 130; section 132(3)(d); section 132(4); section 135; section 142; section 143.

10.9.2 Section 115(7) of the PPSA allows for the contracting out of provision of the PPS Act, the following provisions of the PPS Act will not apply and the Customer will not have any rights under them: section 127; section 129(2),(3); section 130(1); section 132; section 134(2); section 135; section 136(3), (4) and (5) and section 137.

10.10 Unless otherwise agreed and to the extent permitted by the PPSA, the Customer and ATOE agree not to disclose any information of a kind referred to in section 275(1) of the PPSA to an interested person or any other person. The Customer waives any rights which it may have, or but for this clause it may have had had, under section 275(7)(c) of the PPSA to authorise the disclosure of the above information.

10.11 ATOE is irrevocably authorised to enter any premises where the goods are kept, and to use the name of the Customer and to act on its behalf, if necessary, to recover possession of the Goods and seize the Goods in accordance with the Act without liability for trespass or any resulting damage.

11 Privacy Act 1988 ("Privacy Act")

To enable ATOE to assess the Customer's application for credit, the Customer authorises ATOE:-

11.1 To obtain from a credit reporting agency a consumer or commercial credit report containing personal information about the Customer and its guarantors pursuant to Section 18K(1) of the Privacy Act; and

11.2 To obtain a report from a credit reporting agency and other information in relation to the Customer's commercial credit activities, and

11.3 To give to a credit reporting agency information including identity particulars and application details

AND in accordance with Section 18N(1) of the Privacy Act the Customer authorises ATOE to give to and obtain from any credit provider named in the accompanying credit application and credit providers that may be named in a credit report issued by a credit reporting agency information about the Customer's credit arrangements. The Customer understands that this information can include any information about its credit worthiness, credit standing, credit history or credit capacity that credit providers are allowed to give or receive from each other under the Privacy Act.

The Customer understands that information can be used for the purposes of assessing its application for credit (Section 18L(4) Privacy Act), assisting it to avoid defaulting on its credit obligations, assessing its credit worthiness and notifying other credit providers and credit reporting agencies of a default by it under these Terms.

12 Notification

The Customer must notify ATOE in writing within seven (7) days of:-

12.1 Any alteration of the name or ownership of the Customer.

12.2 The issue of any legal proceedings against the Customer.

12.3 The appointment of any provisional liquidator, liquidator, receiver, receiver manager or administrator to the Customer.

12.4 Any change in the ownership of the business name of the Customer. The Customer agrees that it shall be liable to ATOE for all Goods supplied to the new owner by ATOE until notice of any such change is received.

13 Warranties

No warranties except those implied and that by law cannot be excluded are given by ATOE in respect of Goods supplied. Where it is lawful to do so, the liability of ATOE for a breach of a condition or warranty is limited to the repair or replacement of the Goods, the supply of equivalent Goods, the payment of the cost of repairing or replacing the Goods or acquiring equivalent Goods, as determined by ATOE.

14 Force Majeure

ATOE shall be released from its obligations in the event of national emergency, war, prohibitive governmental regulation or if any other cause beyond the control of the parties renders provision of the Goods impossible, where all money due to ATOE shall be paid immediately and, unless prohibited by law, ATOE may elect to terminate the Agreement.

15 Equitable Charge

The Customer as beneficial owner and/or registered proprietor now charges in favour of ATOE all of the Customer's estate and interest in any real property (including but not limited to any applicable land owned by the Customer named or described as the Customer's Street Address in the Credit Application if applicable) ("Land") to secure payment of accounts rendered by ATOE to the Customer for the delivery and/or supply of the Goods including interest payable on these accounts and costs (including legal costs on a full indemnity basis) incurred by ATOE and including the costs to prepare and lodge a Caveat against the Land and to remove the Caveat.

16 Failure to Act

ATOE's failure to enforce or insist upon the timely performance of any term, condition, covenant or provision in these Terms, or ATOE's failure to exercise any right or remedy available under these Terms or at law, or ATOE's failure to insist upon timely payment of monies when due or to demand payment of any charges or fees which accrue or any extension of creditor forbearance under these Terms shall not constitute a waiver of any subsequent default or a waiver of ATOE's right to demand timely payment of future obligations or strict compliance with the Terms.

17 Legal Construction

17.1 These Terms shall be governed by and interpreted according to the laws of Victoria and ATOE and the Customer consent and submit to the jurisdiction of the Courts of Victoria.

17.2 Notwithstanding that any provision of the Terms may prove to be illegal or unenforce able pursuant to any statute or rule of law or for any other reason that provision is deemed omitted without affecting the legality of the remaining provisions and the remaining provisions of the Terms shall continue in full force and effect.

Signature / Initials: _____