

1. DEFINITIONS

In these Conditions and elsewhere in the Contract, unless a contrary intention appears the following shall mean:

Anti-Bribery and Anti-Corruption Legislation includes any statute, law, code, regulation or similar instrument in connection with the prohibition of bribery and corruption (including by virtue of the place of domicile or operations of MEGAVAR and the Client) including but not limited to the Criminal Code Act 1995(Cth), the Crimes Act 1914(Cth), the Financial Management and Accountability Act 1997(Cth), the Commonwealth Authorities and Companies Act 1997(Cth), the Corporations Act 2001(Cth) and the Bribery Act 2010(UK).

Completion Date means the date specified in Item 7 of the Contract Particulars or any extension thereof agreed in writing between the parties, on which the Supplier must complete or deliver the Goods.

Conditions means these standard MEGAVAR terms and conditions.

Contract means the agreement between the Supplier and MEGAVAR evidenced by the Conditions, the Contract Particulars and/or MEGAVAR Purchase Order, and all other documents which are listed in Item 9 of the Contract Particulars or incorporated by written reference into the Contract by MEGAVAR. The Conditions take precedence over all other documents including those listed in Item 9 and any other documents provided by the Supplier.

Contract Price means the price or fees submitted by the Supplier either as a lump sum fixed price, hourly rate, schedule of fees, cost plus including disbursements or a combination of these as detailed in the Contract Particulars.

Delivery Place means the place Goods are to be delivered as specified in Item 8 of the Contract Particulars.

Goods means the goods, products, materials or equipment supplied by Supplier and specified in Item 3 of the Contract Particulars and otherwise in the Contract and/or a MEGAVAR Purchase Order.

Intellectual Property means any intellectual property whether protected by statute, at common law or in equity, including any patent, invention, copyright or design right (whether or not registerable), in any design, specification, process, technique, software, know-how, trade secret, technical information, financial information, business method and confidential information.

MEGAVAR means Megavar Pty Ltd (ABN 88 104 344 765) described in Item 1 of the Contract Particulars or, if no description has been provided, the entity to which the Supplier is providing the Services or supplying the Goods.

PPSA means the Personal Property Securities Act 2009 (Cth)

Services means all the services the Supplier has agreed to perform for MEGAVAR under its offer and specified in Item 3 of the Contract Particulars and/or MEGAVAR Purchase Order.

Site means the location where the Services are to be performed.

Supplier means the party described in Item 2 of the Contract Particulars or, if no description has been provided, the entity providing the Goods or Services to MEGAVAR.

Warranty Period means the period described in clause 8.1 of these Conditions.

Works means the scope of works being tendered for as detailed in the Supplier's offer which is inclusive of the Goods and/or Services.

1.1 These Conditions become valid and binding on the parties when a Supplier accepts a Purchase Order from MEGAVAR containing details of the Supplier and the Works, in response to an offer made by the Supplier.

1.2 If the Supplier fails to acknowledge the Purchase Order in accordance with clause 1.1 of these Conditions within 10 days from receipt and proceeds with the Works, then these Conditions, the Purchase Order and all documents which are either attached to the Purchase Order or incorporated therein by reference by MEGAVAR shall be deemed the entire agreement between the parties.

2. CONTRACT PRICE, PAYMENT AND GST

2.1 The Contract Price is in Australian Dollars (unless otherwise stated) and is the agreed Contract Price for the whole of the Works offered, inclusive of testing, packing, documenting and freight to the Delivery Place. The Contract Price is inclusive of GST and all other taxes and charges whatsoever and howsoever incurred (unless otherwise stated).

2.2 The Contract Price cannot be varied unless agreed by the parties in writing.

- 2.3 To the extent that rates for variations are specified, they shall be used by the Supplier to calculate the cost of a variation, but otherwise the cost of the variation shall be estimated by the Supplier at the lowest reasonable cost.
- 2.4 Unless otherwise stated in Item 4 of the Contract Particulars, the Supplier shall invoice MEGAVAR at the end of each month for the Works duly completed in that month. Invoices received earlier than the end of the month, will be deemed as received at the end of the month. MEGAVAR will (subject to the Works having been satisfactorily received, or completed and accepted by MEGAVAR) pay the amount properly invoiced by the Supplier (except to the extent that the invoice is in dispute). MEGAVAR will pay to the Supplier all undisputed amounts. The amount payable by MEGAVAR will be paid 45 days from month end in which the Supplier's tax invoice is received by MEGAVAR.
- 2.5 MEGAVAR may deduct from such amount due and payable by MEGAVAR pursuant to this Contract, any amounts payable by the Supplier to MEGAVAR on any account whatsoever.
- 3. PACKAGING**
The supplier, at its cost, shall properly and carefully pack and protect the goods in accordance with industry best practice having regard to methods of carriage, handling and to climatic conditions on the way to the delivery place. The supplier will provide all lifting and handling of goods in transit.
- 4. STANDARD TO CONFORM TO SPECIFICATIONS**
The Supplier shall supply the Goods and provide the Services in accordance with the specifications, drawings, samples or other description (if any) furnished by MEGAVAR and contained in the Contract.
- 5. PAYMENT**
Time is of the essence as to the Supplier's performance under this Contract. The delivery of the Goods to the Delivery Place and/or the completion of the Services must be achieved by the Completion Date unless an extension of time has been agreed to in writing by MEGAVAR.
- 6. SUB-CONTRACT**
- 6.1 The Supplier may not subcontract, assign or transfer any of its rights or obligations under this Contract without the prior consent of MEGAVAR, which consent may be conditional or withheld by MEGAVAR in its absolute discretion.
- 6.2 The Supplier must manage the performance of its subcontractor(s) to ensure that the quality and timeliness of its performance meets the requirements of this Contract.
- 6.3 The Supplier must ensure that its subcontractor(s) effect and maintain the insurances specified in Item 10 of the Contract Particulars.
- 6.4 The Supplier must ensure that its subcontractor(s) obtains and assigns to MEGAVAR all the usual customary trade warranties or has the ability to assign the benefit of such warranties to MEGAVAR upon completion of the Works.
- 7. WARRANTY**
The Supplier warrants that:
- 7.1 it will exercise the skill, care and diligence to the standard acceptable to the trade, industry or profession of a similar nature;
- 7.2 it will perform the Works in a timely and professional manner using appropriately trained and experienced personnel;
- 7.3 all applicable standards will be applied to the Works;
- 7.4 the Works will be fit for purpose;
- 7.5 it will perform the Works in accordance with the Contract and the documents described in Item 9; and
- 7.6 further, in respect of any Goods supplied:
- 7.6.1 the Goods are free of all liens and encumbrances and the Supplier has good and marketable title to the Goods;
- 7.6.2 the Goods will be of merchantable quality and be free from substantial defect in workmanship;
- 7.6.3 the Supplier has ensured that MEGAVAR and its client (if requested by MEGAVAR) has been assigned all the usual and customary trade warranties and/or has the benefit of such

warranties upon completion of the Works and that copies of such warranties will be supplied to MEGAVAR with invoices for payment; and

7.6.4 any Goods manufactured or fabricated or Services performed by the Supplier will be performed to the standard agreed by the parties and as set out in Items 3 and 9 of the Contract Particulars.

8. WARRANTY PERIOD AND RECTIFICATION OF DEFECTIVE WORKS

8.1 The Supplier warrants all Works and workmanship against any defect for the period stated in Item 6 of the Contract Particulars and where no period is stated, for a period of 18 months from the receipt of the Goods, 12 months from the completion of the Services or 12 months from the date in which the Goods were first put into service, whichever the later.

8.2 If any part of the Works are found by MEGAVAR to be defective and/or not in compliance with the Contract the Supplier must immediately repair or replace the Works which are damaged, defective or found not to be in accordance with the Contract during the Warranty Period, to the satisfaction of MEGAVAR at the Supplier's costs.

8.3 The Supplier shall be responsible for all incurred costs associated with the repair or replacement of the Works, including transportation costs.

9. CONFIDENTIALITY

9.1 The Supplier may not, and must ensure that its subcontractors do not, divulge to third parties for use any information relating to the Works (including Intellectual Property), until such information is within the public domain or express written consent has been given by MEGAVAR.

9.2 The Supplier shall indemnify MEGAVAR and keep MEGAVAR indemnified from and against all liabilities, losses, damages, actions, suits, proceedings, claims, costs and expenses arising from any breach of this clause by the Supplier

10. INTELLECTUAL PROPERTY

10.1 The specifications, drawings, technical instructions or any other documentation whatsoever issued to the Supplier by MEGAVAR during tendering and at the time of establishing this Contract will remain the property of MEGAVAR.

10.2 The Supplier hereby grants to MEGAVAR a perpetual, irrevocable, non-exclusive, royalty free, transferable licence to use all Intellectual Property which is used or developed by the Supplier in connection with the Works under the Contract.

10.3 The Supplier shall indemnify and hold harmless MEGAVAR against and from any claim alleging an infringement of all intellectual property rights, moral rights and ownership rights in any information provided by the Supplier to MEGAVAR.

10.4 The Supplier warrants that:

10.4.1 the Works and licence granted by it to MEGAVAR do not infringe any intellectual property rights of any third party; and

10.4.2 the Works are not subject to any intellectual property rights of any third party that in any way restrict the rights of MEGAVAR or its client's to use or sell the same.

11. INDEMNITY

11.1 The Supplier will indemnify MEGAVAR and keep MEGAVAR indemnified from and against all liabilities, losses, damages, actions, suits, proceedings, claims, costs and expenses in respect of:

11.1.1 injury to (including illness or disability), or death of any person; and

11.1.2 loss or destruction of or damage to or loss of use of any property,

caused or contributed to by the act or omission of the Supplier or its directors, officers, employees, agents or contractors or by any breach of this Contract by the Supplier (including any breach of a warranty), except to the extent that it has been caused or contributed to by the willful default or unlawful or negligent act or omission of MEGAVAR.

12. INSURANCE

The Supplier shall effect and maintain the insurances as specified and marked in Item 10 of the Contract Particulars.

13. TERMINATION

13.1 MEGAVAR may terminate the Contract by written notice to the Supplier:

13.1.1 in its absolute discretion, giving the Supplier 14 days notice; or

13.1.2 in the event the Supplier defaults on any of the terms of this Contract, for any reason (including insolvency), giving the Supplier 10 days' notice.

13.2 In the event of termination due to default by the supplier, MEGAVAR can appoint another supplier to complete the uncompleted portion of the Works at the Supplier's cost.

13.3 Termination of the Contract pursuant to this clause shall be without prejudice to the rights of MEGAVAR.

14. REPORTING

The Supplier must report progress of the Works to MEGAVAR on a regular basis.

15. INSPECTION

MEGAVAR's nominated representative may inspect the Works from time to time during the progress of the Works, and on the Completion Date and will examine the documentation to ensure compliance to the Contract. Any technical or commercial questions or notices should be addressed to him/her and his/her written instructions in response to those questions or notices will become part of this Contract and should be accepted as lawful instructions for the execution of the Contract.

16. ACCESS

MEGAVAR's nominated representative shall be afforded free access to the place nominated in Item 5 of the Contract Particulars or any other place where the Works are being carried out during the progress of the Contract for the purpose of expediting or inspection of the Works.

17. TITLE AND RISK

17.1 Property and ownership of any Goods supplied will pass to MEGAVAR from the Supplier on the earlier of payment by MEGAVAR for those Goods or receipt of the Goods at the Delivery Place.

17.2 Risk in the Works passes to MEGAVAR upon acceptance of the Works at the Delivery Place.

18. PERSONAL PROPERTIES SECURITIES ACT

18.1 In this clause (clause 18) words and expressions which are not defined in these Conditions but which have a defined meaning in the PPSA have the same meaning as in the PPSA.

18.2 The Supplier acknowledges that MEGAVAR has a purchase money security interest in the Goods including, but not limited to, where MEGAVAR has paid the Supplier (in whole or in part) for the Goods prior to delivery.

18.3 The Supplier acknowledges that if MEGAVAR has rights and interest in proceeds derived from the Goods such rights and interests constitute a security interest in such proceeds.

18.4 MEGAVAR may register any security interest on the PPSA register in any manner it chooses (including by registering one or more financing statements in relation to its interest in the Goods, with such expiry dates as MEGAVAR determines in its absolute discretion). The Supplier must provide MEGAVAR with any information it requires for the purposes of giving effect to such registration.

18.5 For the purposes of section 157(3) of the PPSA, the Supplier irrevocably and unconditionally waives its right to receive any notice from MEGAVAR in connection with the registration of a financing statement or a financing change statement in respect of the Goods.

18.6 If section 95 or chapter 4 of the PPSA would otherwise apply to the enforcement of any security interests then those provisions are excluded, to the extent possible.

18.7 The Supplier must take any steps (including provide information) MEGAVAR reasonably requires to perfect or otherwise ensure the enforceability and priority of any security interest.

18.8 Neither the Supplier nor MEGAVAR will disclose information of the kind described in PPSA section 275(1), unless section 275(7) of the PPSA applies.

18.9 Until MEGAVAR's security interest (whether perfected or not) is satisfied, the Supplier agrees not to cause or allow a security interest of higher priority to be created in the Goods. If the Supplier breaches this sub-clause, the Supplier shall indemnify MEGAVAR for any cost, expense, loss or damage suffered.

19. DISPUTE RESOLUTION

If a difference or dispute between the parties arises in connection with the subject matter or interpretation of this Contract, including a dispute concerning a claim in tort, under statute, or on any other basis in law or equity available under the law governing the Contract ('Dispute'), either party may by hand or registered post give the other party written notice of the dispute identifying and providing details of the dispute and entitled Dispute Notice ('Dispute Notice').

Within seven (7) days of receipt of Dispute Notice representatives of the parties having authority to bind the parties shall confer to seek to resolve the Dispute or agree on a method of doing so and whether that method shall be

binding. If a resolution or method of resolution has not been agreed within 21 days of the receipt of Dispute Notice, the General Manager of the parties shall confer for the same purpose as the parties' representatives. All aspects of such conference(s) shall be privileged.

Neither party may institute legal proceedings in respect of any Dispute unless a Dispute Notice in respect thereof has first been given and then only after a period of 28 days from receipt of such Dispute Notice has elapsed.

20. GENERAL

- 20.1 MEGAVAR's liability to the Supplier is limited to its liability to pay the Contract Price, as amended from time to time, in accordance with this Contract.
- 20.2 If any provision of this Contract is unenforceable, such unenforceability shall not affect any other provision or any other part of the Contract.
- 20.3 Any waiver by MEGAVAR of strict compliance with any provision of this Contract shall not be effective unless in writing and signed by an authorised officer of MEGAVAR.

21. PLACE OF CONTRACT AND GOVERNING JURISDICTION

The Contract is governed by the law as stipulated in Item 11 of the Contract Particulars and the parties submit to the non-exclusive jurisdiction of those Courts. If no place is nominated in the Contract Particulars, the jurisdiction and place of contract is Tasmania.

22. ANTI-BRIBERY AND CORRUPTION

- 22.1 MEGAVAR is committed to operating in a manner consistent with the laws of the jurisdiction in which it operates, including laws relating to anti-bribery and anti-corruption.
- 22.2 The Supplier represents and warrants it complies with Anti-Bribery and Anti-Corruption Legislation and that it has not and will not breach any Anti-Bribery and Anti-Corruption Legislation in connection with the Contract.
- 22.3 If the Supplier becomes aware of any breach or suspects a breach of Anti-Bribery and Anti-Corruption Legislation in connection with the Contract it must immediately notify MEGAVAR in writing and provide reasonable details of such breach or suspected breach and provide reasonable access to information, books and records relevant to such breach.
- 22.4 If MEGAVAR, acting reasonably, believes the Supplier has breached Anti-Bribery and Anti-Corruption Legislation in connection with the Contract, MEGAVAR must give the Supplier written notice of such. If the Supplier, within 30 days of that written notice, fails to show there is no reasonable basis to conclude a breach has occurred, MEGAVAR may terminate the Contract without further notice to the Supplier.

23. SECURITY

- 23.1 Prior to the final payment and before completion of the Works, the Supplier must provide MEGAVAR with a security for the Warranty Period equal to 5% of the Contract Price ('Security').
- 23.2 The Supplier must provide the Security in the form of an unconditional, irrevocable, enforceable bankers undertaking in a form accepted by MEGAVAR, in its absolute discretion. The undertaking must:
- 23.2.1 have an expiry date not later than 24 months from the date of delivery to the Delivery Place;
 - 23.2.2 be payable on demand; and
 - 23.2.3 be given by a bank acceptable to MEGAVAR in its absolute discretion.
- 23.3 MEGAVAR will not be obliged to make further payment in accordance with these Conditions until the Supplier has complied with this clause.
- 23.4 MEGAVAR may have recourse to the Security if the Supplier fails to rectify or make good any defect in the Goods or Services within a reasonable time of being requested to do so by MEGAVAR or if MEGAVAR has any claim against the Supplier.
- 23.5 The Supplier agrees it will not take any steps to injunct or restrain:
- 23.5.1 MEGAVAR from using any sums received from the conversion of the Security or otherwise exercising its rights in relation to the Security; or
 - 23.5.2 the issuer of the Security exercising its rights or performing its obligations under the Security.
 - 23.5.3 MEGAVAR shall return the Security at the expiration of the Warranty Period.

24. LIQUIDATED DAMAGES

- 24.1 The Supplier will pay to MEGAVAR the sum equivalent to 0.15% of the Contract Price for each and every day during which the delivery of the Goods or the completion of the Services is delayed after the Completion Date or any extension thereof up to a maximum of 5% of the Contract Price in aggregate.
- 24.2 The parties agree that the value of liquidated damages payable by the Supplier is a genuine and reasonable pre estimate of the loss to MEGAVAR for the Supplier's delay in delivering the Goods or completing the Services.

25. ASBESTOS AND OTHER HAZARDOUS MATERIALS

- 25.1 Where applicable the Subcontractor must comply with the Building Code under the Fair Work (Building Industry) Act 2012 Cth ("the Code"). Copies of the Code are available at www.fwbc.gov.au/what-building-code.
- 25.2 The Subcontractor shall maintain adequate records of the compliance with the Code and:
- 25.2.1 the Subcontractor;
 - 25.2.2 its sub-subcontractors; and
 - 25.2.3 its Related Entities.
- 25.3 The Subcontractor shall permit the Commonwealth, including a person occupying a position in the Office of the Australian Building and Construction Commissioner, full access to construction sites or places covered by the Code to:
- 25.3.1 inspect any work, material, machinery, appliance, article or facility;
 - 25.3.2 inspect and copy any record relevant to the Works the subject of this Contract;
 - 25.3.3 interview any person;
 - 25.3.4 request a party to this Contract to produce a specified document within a specified period, being not less than 14 days in person, by fax or by post;
- as is necessary to allow validation of its progress in complying with the Code.
- 25.4 The Subcontractor shall not appoint a sub-subcontractor, consultant or supplier in relation to the Works where the appointment would breach a sanction imposed in relation to the Code.
- 25.5 The Subcontractor shall ensure that all sub-sub-contracts impose obligations on the sub-subcontractors equivalent to the obligations under this clause.