

1. General

1.1 These standard terms and conditions (standard conditions) apply to any contract entered into by Taylor Bros Marine Pty Ltd (Taylor Bros) issuing a purchase order to the nominated Contractor (the Contractor), whether as an offer or acceptance of an offer (the contract), where that purchase order refers to Taylor Bros standard terms and conditions.

2. Interpretation

2.1 In these standard conditions:

Goods means any material, plant, item or equipment specified in the order.

Manufacture includes grow, extract, produce, process and assemble.

Property includes every type of right, interest or thing which is legally capable of being owned and includes, but is not restricted to, physical goods, equipment and real property, as well as intangibles such as intellectual property, contract options and goodwill.

Supplies means property and/or services as the context requires.

2.2 Subject to clause 6, these standard conditions will prevail in any conflict between them and the terms of any offer or acceptance by the Contractor.

3. Special conditions

3.1 The contract conditions include any special conditions referred to in the purchase order and if any such special conditions are inconsistent with these standard conditions, the former will, to the extent of this inconsistency, prevail.

4. Packing

4.1 Goods must be safely and securely packed, in accordance with best industry practice, so as to ensure its safe delivery.

5. Delivery

5.1 Subject to clause 9, delivery of the goods must be made at the time, place and in the manner specified in the purchase order. Failure to comply with the advised transport mode may render a cost variation at the Contractor's expense.

5.2 Taylor Bros can specify in writing a later time for delivery.

5.3 Either a delivery docket, packing note or invoice is to accompany all deliveries made, quoting the purchase order number, quantity dispatched, description of the supplies and consignment details.

5.4 Purchase Orders are to be delivered in full, part orders will not be accepted unless agreed by Taylor Bros in writing.

6. Quality

6.1 The goods must be new, free from defects in materials and workmanship and at least of merchantable quality.

6.2 Taylor Bros can inspect the goods at any time and reject those not in accordance with the contract.

6.3 Taylor Bros can reject goods after acceptance if they do not comply with the contract.

6.4 Taylor Bros is not liable to pay for:

- a. rejected goods
- b. goods damaged by inspection or
- c. costs associated with inspection or rejection.

6.5 If goods are rejected by Taylor Bros, the Contractor must, without prejudice to Taylor Bros' rights:

- a. replace or repair, without cost to Taylor Bros, the rejected goods or
- b. remove the rejected goods and refund payment of the rejected goods.

6.6 The Contractor must comply, at no cost, with all efforts of Taylor Bros to inspect the goods.

6.7 The Contractor will not manufacture goods in bulk until Taylor Bros has approved the purchase of goods.

6.8 The Contractor must supply with the goods Objective Quality Evidence (OQE) evidencing the Contractor's compliance to quality standards and with the Health and Safety Law;

6.9 OQE to be supplied shall include, as applicable:

- a. Calibration Certificates - certifies that the test equipment used to provide test results for the delivered item were calibrated in accordance with a NATA, or equivalent, standard.
- b. Certificate of Conformance - A certified statement by the Contractor that the delivered item(s) meet all requirements specified by the Purchase Order or Contract.
- c. Third party approval certificates, eg Classification Society Type Approval certificates.
- d. Dimensional Inspection Record - Records that certify that a Dimensional Inspection of the delivered item has been performed and that it complies with the approved standards, specifications or drawings.
- e. Functional Test Record - Reports that certify the results of manufacturer's tests and inspection, e.g.; calibration, performance/operational/functional tests carried out on the delivered item.
- f. Inspection and Test Plan - A construction plan that details the sequence of steps proposed to fulfil a work requirement, the tests to be performed and identification of hold and witness points proposed and offered to the customer to verify
- g. Load Certified Statement - A statement that the delivered item has been tested and certified, in accordance with a nationally approved standard, to be capable of lifting/carrying the specified load.
- h. Mechanical Properties: Chemical Composition and Mechanical Characteristics Certificates - The report shall state the batch (heat, charge, cast, lot) number and identify to the standard. The Material Certificates shall be in accordance with the requirements of BS EN 10204: 2004.
- i. Paint Record - A report that certifies that the delivered item is painted in accordance with the approved paint scheme. The batch number and expiry date of the paint shall be stated. The coating dry film thicknesses, times/dates and atmospheric conditions during application must be stated. Blasting details, records and profiles, if required, are to be included.
- j. Pressure Test Certificate - Certifies that Pressure Testing and/or Leak Testing has been performed and records the requirements, test results and test equipment/gauges.
- k. Shock Certificates - A statement that the delivered item has been tested and certified in accordance with the required shock standard.
- l. Weight Control - A report that certifies the actual weight of the delivered item.
- m. Weld Certified Statement - The statement shall include reference to Welding Procedures, Welders Qualifications, Welding Consumables, Weld Maps and Weld Non-Destructive Testing. Reports shall be signed by a qualified welding inspector or equivalent.
- n. Safety Data Sheets - in accordance with Model Code of Practice: Preparation of safety data sheets for hazardous chemicals.

7. Ownership of Property

7.1 Ownership of, and risk of loss of or damage to the goods, passes to Taylor Bros upon delivery.

8. Warranty

8.1 If Taylor Bros gives reasonable notice of any defect or omission discovered in the goods during any warranty period, the Contractor must correct that defect or omission without delay and at no cost to Taylor Bros.

8.2 Where no warranty is otherwise specified, the warranty period shall be 12 months after acceptance of goods by Taylor Bros, or for new build programs, the warranty period shall be 12 months after acceptance by the final customer.

8.2 The Contractor must meet all costs of, and incidental to, the discharge of warranty obligations, including any packing, freight, disassembly and re-assembly costs.

9. Indemnity and insurance

9.1 The Contractor indemnifies Taylor Bros, its officers, employees and agents against all loss, damage, injury or expense Taylor Bros may sustain or incur as a result, whether directly or indirectly, of

any breach of this contract, including any action or claim for alleged infringement of any patent, copyright, registered design, trademark or any other intellectual property rights, by reason of Taylor Bros' receipt or enjoyment of the goods.

9.2 The Contractor will, for so long as any obligations remain in connection with this contract, effect and maintain appropriate insurance policies. Upon request by Taylor Bros, the Contractors will provide Taylor Bros with proof of insurance acceptable to Taylor Bros.

10. Payment

10.1 Subject to clause 14, Taylor Bros must pay for the supplies no later than 30 days after ownership of the supplies has passed to it or upon receipt of a correctly rendered invoice, whichever is the later.

10.2 An invoice will be correctly rendered if it is addressed in accordance with the purchase order, identifies the purchase order number, is a tax invoice for GST purposes and is, where explanation is necessary, accompanied by documentation substantiating the amount claimed.

11. Subcontracting

11.1 The Contractor must not, without Taylor Bros' consent in writing, subcontract the whole or any part of the work of manufacture or provision of the supplies.

11.2 The Contractor will be liable to Taylor Bros for the acts and omissions of any subcontractor as if those were the acts or omissions of the Contractor.

12. Applicable law

12.1 The contract will be governed by and construed in accordance with the laws in force in the state of Tasmania.

13. Termination

13.1 If the Contractor:

- a. fails to deliver the goods by the date required by the contract
- b. is in breach of any other material term of the contract
- c. being an individual, commits an act of bankruptcy, becomes a bankrupt, executes a deed of assignment or deed of arrangement under Part 10 of the Bankruptcy Act 1966 as amended or a creditor accepts a composition under that Act or any analogous overseas law or
- d. being a corporation (other than for the purpose of a reconstruction or amalgamation):
 - i. is the subject of a compromise or arrangement with its creditors
 - ii. in respect of property of which a receiver or a receiver and manager is appointed or
 - iii. in respect of which a provisional liquidator or liquidator is appointed

Taylor Bros, without prejudice to any other rights and remedies it has under the contract or otherwise, terminate the contract in whole or part by notice in writing to the Contractor.

13.2 On such termination Taylor Bros can:

- a. cease payment under the contract
- b. recover from the Contractor all sums paid for undelivered goods
- c. purchase similar goods from alternative Contractors and claim by way of indemnity from the Contractor any loss it may occur in doing so.

14. Legislation

14.1 When providing the goods, the Contractor will comply with all applicable standards, laws and Commonwealth Policies and any other policies, standards, procedures and guidelines, and will promptly notify Taylor Bros if the Contractor becomes aware of any breach of such standards, laws and policies.

15. Waiver

15.1 A party's failure or delay to exercise a power or right does not operate as a waiver of the power or right. A waiver is not effective unless it is in writing.

16. Variation

16.1 This contract will only be varied by written agreement between Taylor Bros and the Contractor. Taylor Bros and the Contractor shall act reasonably in deciding whether to agree to a variation, as requested by the other party.

17. Negation of employment, partnership and agency

17.1 This contract does not create a relationship of employment, agency or partnership between the Contractor and Taylor Bros.

18. Price

18.1 The contract price for the supplies includes:

- a. all taxes, duties and other imposts for which the contractor is liable
- b. all insurance costs
- c. all amounts payable for the use (whether in course of performance of the services or their enjoyment) of patents, copyright, registered designs, trademarks and other intellectual property rights
- d. all charges for performances of the services.

19. Integrated Logistic Support (ILS)

19.1 The Contractor must supply with the goods the following ILS data:

- a. List of recommended spare parts to maintain the goods in a state of material readiness.
- b. Installation, Set to Work, Operation and Maintenance manuals, as applicable, for the goods.
- c. Long term storage, handling and maintenance instructions.
- d. System, assembly and arrangement drawings.

20. Workplace Health and Safety

20.1 The Contractor must ensure the Goods are not Dangerous Goods and do not contain any ozone depleting substances (within the meaning of the Ozone Protection Act 1989 (Cth)) or Hazardous Substances unless authorised by Taylor Bros in writing.

Dangerous Goods means a substance that, because of its immediate physical, chemical or toxicity properties, presents an immediate hazard to people, property or the environment, or any substance described as dangerous goods in the "Australian Code for Transport of Dangerous Goods by Road or Rail"; Hazardous Substances means a Hazardous Chemical as defined in subregulation 5(1) of the Work Health and Safety Regulations 2011 (Cth), and includes a) a prohibited carcinogen, restricted carcinogen and lead (each as defined in subregulation 5(1) of the Work Health and Safety Regulations 2011 (Cth)); b) hazardous chemicals the use of which is restricted under regulation 382 of the Work Health and Safety Regulations 2011 (Cth); c) controlled materials as described in section 13 of the Australian Radiation Protection and Nuclear Safety Act 1998 (Cth); and d) materials having impact on the environment as defined in section 527E of the Environment and Biodiversity Protection Act 1999 (Cth);

20.2 The Contractor acknowledges that it is responsible for all aspects of health and safety connected with the Supplies and must at its own cost comply with the Health and Safety Law, including but not limited to any applicable duties of Suppliers, designers, manufacturers, importers, installers or a person conducting a business or undertaking.

21. Intellectual Property

21.1 Any intellectual property created by the Contractor in connection with the Supplies vests in Taylor Bros upon its creation and the Contractor waives, and will procure the waiver by the Contractor's officers, employees, agents and subcontractors of any moral rights the Contractor may have in respect of that intellectual property. The Contractor grants, and will ensure that its subcontractors and any third parties grant, to Taylor Bros a non-exclusive, perpetual, transferable, sub-licensable licence to use, adapt, and modify for any purpose any intellectual property owned by or licensed to the Contractor that is embodied in or connected with the Supplies and such right will survive termination nor expiration of these Conditions. The Contractor warrants that the exercise of the licence will not infringe the rights (including intellectual property and moral rights) of a third party.