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Terms and Conditions for, Australian Maritime Systems Group Ltd Purchase Orders for Goods and or Services

All Purchase Orders generated by Australian Maritime Systems Group Ltd (AMSG) and its subsidiaries have the following terms and conditions that apply to them unless explicitly provided in writing by AMSG otherwise.

These pages set out the terms and conditions for AMSG Purchase Orders for goods and /or Services.

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1 Definitions

AMSG – shall mean Australian Maritime Systems Group Ltd and all of its subsidiaries

Associated Services - means the services (if any) identified in the Purchase Order and which are to be performed by the Supplier.

Business Day - means a day on which the Company is open for normal business with the exclusion of public holidays.

Clause - means a clause of these General Conditions.

Agreement - is defined in Clause 2.1

Agreement Price - is defined in Clause 7.1.

Delivery Point - means the place or places as identified in the Purchase Order for delivery of the Goods or Services.

F.I.S - means Free Into Store as referenced in Incoterms 2000.

Force Majeure - means Acts of God, invasion, riot, civil commotion, strike, lock-out, labour, disturbance, revolution, conspiracy, civil war, mutiny, military, naval, or usurper power threatened or apprehended hostilities or warlike operations whether or not before or after declaration of war, fire, epidemic, inability of either party or parties to procure sufficient stocks of fuels, materials and/or parts of sufficient power, energy or transport to enable its normal operations to be maintained, restrictions or restraint by any Government or other authority, onerous regulations imposed by any Government, injury to or breakdown, appropriation or confiscation of any part of either party or parties, plant or facilities, accidents to or preventing the proper navigation of vessels, the imposition of restrictions or regulations affecting the transport of the Company's products by sea or by land or the export of the Company's products from Australia and any act, matter or thing of whatsoever nature beyond the immediate control of either party or both parties.

Goods - means the goods, materials, supplies, services equipment or other items identified in the Purchase Order.

Month - shall mean calendar month.

Purchase Order - means individual purchase orders as may be issued by AMSG to the Supplier in respect of the supply of Goods or the performance of Associated Services which shall be subject to the terms of the Agreement. Purchase Order means an order for Products or Services which has been placed by AMSG but excluding any terms or conditions printed on or referred to in Customer's quote or other documentation unless expressly agreed to in writing by AMSG

Supplier - means the Party (as identified in the Purchase Order) responsible for providing the Supply.

Supplier Representative - means the representative of the Supplier identified in the Agreement.

Supply - means the supply of Goods and the performance of any Services in accordance with the Agreement.



Company - means Australian Maritime Systems Group Ltd.

Company Representative - is, initially, as defined in the Purchase Order, and includes: such other person as the Company may, in writing, substitute for that representative; or any person authorised by that representative to perform any of that representative's powers, duties, discretions or authorities. Australian

2 Precedence of documents

2.1 Agreement

The Agreement consists of the following documents:

The Purchase Order,

These General Conditions,

Any other document which is attached to, or incorporated by reference in, the Purchase Order or these General Conditions.

2.2 Precedence of agreement documents

If there is any conflict or inconsistency between the documents constituting the Agreement, unless otherwise provided, the documents will rank in order of precedence in accordance with the order in which they are listed in Clause 2.1.

2.3 Entire agreement

The Agreement contains the entire agreement between AMMSG and the Supplier with respect to its subject matter and supersedes all prior communications and negotiations between AMMSG and the Supplier in this regard, unless those communications expressly form part of the Agreement.

No terms or conditions submitted by either Party that are in addition to, different from or inconsistent with those contained herein or in the Purchase Order, including, without limitation, the Supplier's printed terms and conditions and any terms and conditions contained in any Supplier's quotation, invoice, order acknowledgement, confirmation, acceptance, bill of lading or other instrument, shall be binding upon either party unless specifically and expressly agreed to in writing signed by a duly authorised representatives of both Parties.

2.4 Amendment to be in writing

No amendment or variation of the Agreement is valid or binding on a Party unless agreed in writing by the Supplier and AMMSG.

3 Performance by the supplier

The Supplier shall perform the Supply in accordance with the terms of the Agreement and in consideration of the payment of the Agreement Price by AMMSG.



4 Supplier warranties

4.1 Supplier's warranties

In addition to the warranty contained in Clause 4.3, the Supplier warrants that:

All of the Supply will be provided in an efficient manner in accordance with all applicable legislation and laws or regulations.

All of the Supply will be of the highest possible standard and in accordance with AMMSG specifications (where those specifications are made known to the Supplier) or in the absence of such specifications, in accordance with any applicable standards set by the Standards Association of Australia in relation to the performance of the Supply.

The Supplier and its personnel will exercise the standards of diligence, skill and care normally exercised by a similarly qualified and competent person in the performance of comparable work.

Any equipment used at any of AMMSG sites will be in safe working condition, will comply with all legislation which is applicable to such equipment and will be operated by suitably qualified, licensed and competent personnel, to the satisfaction of AMMSG in relation to the provision of Goods and or Services as part of the Supply.

The Goods will be of merchantable quality.

The Goods will be free from defects in design, materials and workmanship, and suitable for the relevant purpose of those Goods.

The supplier has good and marketable title to the Goods and that AMMSG will receive title to the Goods free of any such charge or encumbrance

It will obtain at its cost all usual trade warranties and any warranties specifically requested by AMMSG and that on completion of the Supply it will assign the benefit of any such unexpired warranties to AMMSG including any warranties obtained from the Supplier's Sub-contractors.

4.2 Copies of trade warranties

Copies of trade warranties referred to in Clause 4.1 must be supplied to AMMSG with invoices issued by the Supplier.

4.3 Warranty

The Supplier warrants each Good against any defect which arises during the Manufacturer's warranty period.



4.4 Rectification of defects

Upon receipt of a notice from an AMSG Representative of any defect in any Goods during the Manufacturer's warranty period due to defective design, materials, workmanship, unmerchantable quality or unfitness for intended purpose, the affected items or parts must be redesigned, repaired or replaced as appropriate by the Supplier at no cost to AMSG prior to the expiration of the time specified in the notice.

If the Supplier fails to make the necessary redesign, repair or replacement within the timer period specified, AMSG may perform or cause to be performed such redesign, repair, or replacement at the Supplier's risk and cost and any cost and expenses incurred by AMSG will be recoverable from the Supplier as a debt due and payable.

5 Term

The Agreement will commence on the earlier of the date of acknowledgement of receipt of the Purchase Order by the Supplier or the date the Supplier commences to perform the Supply, and will remain in force, unless terminated earlier in accordance with the Agreement, until the completion by the Supplier of all its obligations under the Agreement (Term).

6 Delivery, title and risk

6.1 Delivery

The Supplier shall deliver the Goods to the Delivery Point as defined within the Purchase Order.

6.2 Title

Full unencumbered title to all Goods will pass to AMSG upon the earlier of:

AMSG making payment in full to the Supplier for those Goods

the Good being delivered to the Delivery Point, (if applicable) inspected in accordance with Clause 11.1 and accepted by an AMSG Representative.

6.3 Risk

Risk in the Goods will remain with the Supplier until its delivery to, and acceptance by an AMSG Representative.



7 Agreement Price

7.1 Agreement price

The Agreement Price means the aggregate amount payable in Australian Dollars (\$AUD) (excluding Goods and Services Tax (GST)) by AMSG to the Supplier in relation to the Supply pursuant to Clause 8.2.

The Supplier must separately disclose to AMSG details of any customs duties included in the Agreement Price.

8 Invoicing and payment

8.1 Invoices

The Supplier shall, unless otherwise agreed with AMSG, render a Supplier's Tax Invoice to AMSG in relation to the provision of the Supply at the end of each month during the period in which the Supply is provided and calculated by reference to the prices, fees or other amounts specified in the Purchase Order. Invoices must be in a form acceptable to AMSG and must contain the following information:

- the number of the Purchase Order or Agreement to which the invoice relates;
- a brief description of the Supply provided in the period covered by the invoice;
- separately itemised GST component;
- Delivery Address;
- any further verification or documentation in relation to the invoice as is reasonably required by AMSG.

8.2 Payment of Invoices

Subject to Clause 8.3, AMSG shall pay to the Supplier the amount shown on the invoice within 30 days of receipt of an approved Tax Invoice. Interest on overdue amounts will only be accepted at commercially acceptable rates.

8.3 Disputed invoices

If AMSG disputes any amount shown on an invoice, it shall notify the Supplier within 21 days of receipt of the invoice and must pay any amounts not in dispute in accordance with Clause 8.2, provided that the payment by AMSG of any amount the subject of a disputed invoice is not to be considered as an acceptance of the amount in dispute or of AMSG's liability to make that payment. AMSG does not accept any interest on overdue amounts on disputed amounts.



8.4 Errors or exceptions in invoicing

Without limiting Clause 8.2, if the Supplier discovers or is advised of any errors or exceptions relating to its invoicing for the Supply, the Supplier and AMMSG will jointly review the nature of the errors or exceptions, and the Supplier shall, if appropriate, take prompt corrective action and adjust the relevant invoice or refund overpayments.

9 No minimum purchase or exclusivity

9.1 No minimum purchase

Nothing in the Agreement obliges AMMSG to request or acquire any minimum level of Supply from the Supplier.

9.2 No exclusivity

The Agreement is not evidence of, nor does it create, an exclusive relationship between AMMSG and the Supplier in respect of the Supply (or any aspect of it).

10 Packing, marking and transport

The Supplier is responsible, at its cost, for properly and carefully packing, marking and transporting the Goods to the Delivery Point in accordance with the best industry practices, having regard to the method of carriage and handling to be used and to the climatic and road conditions through and over which the items will pass.

11 Inspection and testing

11.1 Inspection

AMMSG Representative has the right to inspect any of the Goods at any time to determine whether the Goods are in accordance with the Agreement and are to the standard provided for in the Agreement.

11.2 Defects

Any such inspections, examinations or tests carried out by AMMSG or its authorised representatives shall not relieve the Supplier of any responsibility in respect of any item supplied or service rendered, and the Supplier remains liable for any defects which may afterwards become apparent.

11.3 Certification or verification

The Supplier shall, if requested by AMMSG, furnish to AMMSG such certificates and other additional data as are deemed necessary by AMMSG to establish that the items supplied by the Supplier are in accordance with the Purchase Order.



11.4 Rejections

AMSG may, within a reasonable time following delivery, reject any item which is found to be defective, damaged prior to receipt, or is not in accordance with the Purchase Order, and may direct its replacement, repair or removal, notwithstanding that it has been the subject of a payment or that previously satisfaction may have been expressed in relation thereto, and such rejection or direction shall be made or given as soon as practicable after the discovery by AMSG of the defect, damage or non-compliance with the Purchase Order. All such replacements, repairs and removals shall be at the Supplier's expense including the cost of the additional freight required.

12 Assignment

The Supplier shall not, without the prior written approval of AMSG and except on such terms and conditions as are determined in writing by AMSG, assign, mortgage, charge or encumber the Supply or any part thereof or any benefit or moneys or interest thereunder.

13 Waiver

Except as is otherwise provided, none of the Purchase Order Terms and Conditions for the Supply of Goods (and Associated Services) shall be varied, waived, discharged or released without the prior consent in writing by AMSG, and no waiver or variation shall imply a release of the Supplier's obligation to comply with the other conditions of the Agreement except as otherwise provided in the Agreement.

14 Early termination

14.1 Agreement

The supply may be terminated at any time by agreement between AMSG and the Supplier.

14.2 Failure to Perform or Provide

In the event that the Supplier shall fail to perform or provide any of the acts or services required of it under the conditions of the Agreement to the satisfaction of AMSG, AMSG may in addition to its' other rights and remedies forthwith terminate the Agreement.

15 Force Majeure

15.1 Responsibility

Neither the Supplier nor AMSG shall be responsible to the other for any failure, or any delay, in the performance of any obligation on its part to be performed, if such failure or delay shall be attributable to force majeure.



15.2 Notification

Within fourteen (14) days of the occurrence of any event of force majeure which the party so affected believes may interfere with or delay the performance of any obligation, the part so affected shall notify the other party describing the nature of the event and indicating the likely effects thereof.

15.3 Failure by Supplier

Failure by the Supplier to perform any obligation as a result of force majeure shall not be a reason for the termination of the Agreement. AMMSG however, reserves the right to cancel the Purchase Order in its entirety or in part, and source the required item and/or services elsewhere.

16 16. Intellectual property rights

16.1 Rights

The Supplier grants to AMMSG a non-exclusive, perpetual, royalty-free license to use any Intellectual Property Rights in relation to any Goods supplied to the extent necessary to allow AMMSG the full use and enjoyment of those Goods and the Supplier shall, upon request by AMMSG, do all things as may be necessary (including executing any documents) to give full effect to such rights.

16.2 16.2 Intellectual property rights indemnity

The Supplier indemnifies and will keep indemnified AMMSG and its respective officers, employees and agents from and against all costs, losses, expenses, actions, suits, demands, claims, damages and other liabilities resulting from the Supplier's failure to comply with Clause 22, or otherwise resulting from the actual or alleged infringement of the Intellectual Property Rights of any Third Party Contractor or Supplier. Australian Maritime Systems Ltd Terms and conditions of purchasing V1.0
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16.3 Propriety information

All patterns and drawings supplied by AMMSG will remain its property and must be returned in good order and condition on completion of the Purchase Order. The Supplier agrees to replace free of charge any patterns, drawings, material or anything (the property of AMMSG) which may be lost, damaged or destroyed whilst in custody of the Supplier. The Supplier shall maintain and use in strict confidence drawings, designs or technical information supplied by AMMSG.



17 Confidential information

17.1 17.1 Access

The Supplier acknowledges that the Supplier, its employees, contractors and agents may be given access to confidential information in the course of performing the requirements the Agreement.

17.2 The Supplier must,

Keep strictly secret and confidential the confidential information Ensure that its employees, contractors and agents are bound by the same terms during their employment or appointment with the Supplier or otherwise to keep strictly secret and confidential the confidential information

Not copy, publish, divulge or disclose in any manner whatsoever the confidential information to any person other than to those of its employees, contractors and agents directly involved in the performance of the Agreement and only to the extent that such disclosure is required for the performance of the Agreement.

17.3 Written Consent

Unless AMMSG gives its prior written consent, or the Supplier is required by law to do so, the Supplier must not:

Use the Agreement or AMMSG's name or logo, Refer to the Supplier's association with AMMSG which results from an Agreement, Make any statement concerning an Agreement in any publication, advertisement or media release.

18 Survival of clauses

The obligations of the Supplier under these Clauses 16 and 17 are continuing obligations and survive the expiration or termination of the Agreement.

19 Occupational health, safety and welfare

19.1 Commitment

AMMSG is committed to ensuring the safety of all employees, contractors, students and visitors. This commitment extends to ensuring the goods and services purchased meet or exceed all safety requirements and will not, in normal use, pose any unusual or unexpected or unacceptable risks for any persons engaged in AMMSG activities.

19.2 19.2 Compliance

The Supplier will be obliged to comply with all requirements under statutory Occupational Health, Safety and Welfare Acts and Regulations as defined or amended from time to time in addition to Occupational Health, Safety and Environment policies and procedures of AMMSG. Australian Maritime Systems Ltd Terms and conditions of purchasing V1.0 Page **10** of **10**.



20 Insurance

20.1 Professional Indemnity

The Supplier shall at its own expense effect and maintain for the duration of the Agreement and for at least two (2) years following the termination or expiry of the Agreement with a reputable insurance company, a policy of professional indemnity insurance covering the Supplier's liability arising out of any act, neglect, error or omission made or done by or on behalf of the Supplier or its agents, employees or sub-contractors in connection with the provision of the services under the Agreement in the sum of at least \$5 million in respect of any one (1) claim.

20.2 General liability

The Supplier shall at its own expense effect and maintain for the duration of the Agreement period with a reputable insurance company, a policy of general liability insurance for an amount not less than \$20 million in respect of any one claim.

20.3 Evidence of Cover

The Supplier shall at the commencement of the Agreement and at any time during the Agreement period upon written request by AMMSG, provide to AMMSG evidence of cover and currency in respect of such insurance.

21 Indemnities

The Supplier indemnifies AMMSG and agrees to keep AMMSG indemnified from and against all loss, damage, costs and expenses suffered or incurred by AMMSG by reason of or arising from any cause whatsoever during the execution or purported execution of the Agreement by the Supplier and/or its Sub-Suppliers and against all actions, suits, claims, and demands which shall be instituted or made against AMMSG in any way consequent upon or arising from any cause whatsoever arising directly or indirectly out of the execution or purported execution of the Agreement by the Supplier and/or its Sub-Suppliers.

22 Claims and liens

The Supplier shall indemnify and hold AMMSG harmless against all claims and liens in respect of items and/or services provided in connection with the Agreement.

23 Proper Law

The Supplier shall indemnify and hold AMMSG harmless against all claims and liens in respect of items and/or services provided in connection with the Agreement.



24 Acts, regulations, by-laws, licenses and duties

The Agreement shall be discharged in accordance, and the Supplier warrants that it shall comply, with the requirements of all Acts of the Commonwealth or States, and with all ordinances, regulations, by-laws, orders and proclamations made or issued under any such Acts, and with the lawful requirements of public, municipal and other authorities in any way affecting or applicable to the Agreement.