

PURCHASE ORDER STANDARD CONDITIONS

1 Application

1.1 Agreement between Airservices and the Supplier

- (a) Subject to clause 1(b), these terms and conditions (Standard Conditions) apply to the supply of the Goods and Services to Airservices Australia (Airservices) as specified in the Purchase Order. Together these Standard Conditions and the Purchase Order form a contract between Airservices and the Supplier (Agreement) and take priority over any alternative terms and conditions proposed by the Supplier.
- (b) Where the parties have executed an existing contract or deed regarding the Goods and / or Services the subject of this Purchase Order, then the terms of that contract or deed apply instead of these Standard Conditions.
- (c) To the extent of any inconsistency between these Standard Conditions and the Purchase Order, these Standard Conditions will prevail.

2 Definitions and interpretation

2.1 Definitions

In the Agreement, unless the contrary intention appears:

Airservices Material means all material owned by, or licensed to, Airservices excluding Contract Material and material licensed to Airservices under the Agreement.

Background Supplier Material means all material owned by, or licensed to, the Supplier that arose independently of the Agreement excluding material licensed to the Supplier under the Agreement.

Commencement Date has the meaning given in clause 3.

Confidential Information means information that is by its nature confidential and is designated by a party as confidential, or a party knows or ought to know is confidential, but does not include information which is or becomes public knowledge other than by breach of the Agreement or any other confidentiality obligation.

Contract Material means all material developed by the Supplier for the purpose of providing the Goods and Services.

Defect means any:

- (a) failure of a Product to fully comply with its Specifications;
- (b) defect, deficiency, error, malfunction or fault which results in a Product doing something that it was not designed or configured to do, not doing something that it was designed or configured to do, or not being able to be used at all or without interruption, interference or degraded quality.

Delivery Date means that date specified in the Purchase Order.

Delivery Point means that site, point or destination specified in the Purchase Order.

Fees means the fees for Services, set out in the Purchase Order.

Goods means the goods described in the Purchase Order.

Goods Price means, for a Product, the price listed for that Product in the Purchase Order.

GST has the same meaning as in the GST Law.

GST Law means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and associated regulations.

Insolvent means being an insolvent under administration, insolvent or in liquidation, administration or receivership or having a controller, receiver, liquidator or administrator appointed as defined under the *Corporations Act 2001* (Cth), being declared bankrupt or assigning its estate for the benefit of creditors, being

dissolved or wound up or having something with the same or similar effect happen under the laws of any jurisdiction.

Insurance Requirements means:

- (a) public liability insurance to the value of \$10M per occurrence & workers compensation as required by law;
- (b) where the Services involve consultancy services, professional indemnity insurance to the value of \$5M per claim maintained from the Commencement Date until seven years after the end of the Agreement;
- (c) for any Goods, product liability insurance to the value of \$10 million and goods in transit insurance for the value of the Goods plus freight plus 15% until the end of the Warranty Period; and
- (d) for any Minor Works, contract works insurance covering material damage to the Minor Works for the full insurable value of the Minor Works and any materials, goods and items to be incorporated into the Minor Works.

Intellectual Property Rights means:

- (a) all rights in copyright, trade marks (including service marks), trade and service names, designs, circuit layouts, patents, inventions, discoveries and rights of confidence; and
- (b) all other rights or forms of protection of a similar nature or having similar or equivalent effect to any of them,

that may subsist anywhere in the world, whether registered (including applications for any of the above) or unregistered.

Loss means all direct loss, damage, liability, cost or expense and includes any loss, damage, liability, cost or expense agreed to be paid by way of settlement or compromise.

Minor Works mean activities related to building, altering, improving, repairing, refurbishing or demolishing of any real property owned or leased by Airservices, as described in the Purchase Order.

Minor Works Completion Date means the date for completion of the Minor Works as notified in writing by Airservices.

Personal Information has the meaning given in the *Privacy Act* 1988 (Cth).

Product means each of the individual Goods described in the Purchase Order.

Purchase Order means the order issued by Airservices to the Supplier for the provision of the Goods and Services to which these Standard Conditions attach.

Services means those services the Supplier is to provide under the Agreement (including any Minor Works), as described in the Purchase Order (and any associated documentation) and such other services as are reasonably incidental to those services.

Site means the site where the Minor Works are to take place.

SOP Act means the relevant security of payment legislation applicable to the building and construction industry in the jurisdiction where the Site is located.

Specifications mean the technical, functional and performance standards and specifications (as applicable) that the Goods (or relevant Product) are required to meet.

Supplier means the entity identified as the supplier on the Purchase Order, and where the context permits, includes its personnel.

Tax Invoice has the same meaning as in the GST Law.

Third Party Material means Material owned by a third party that is included in, embodied in or attached to the Contract Material, or which is used as part of the provision of the Goods or Services.

Total Contract Price means the total price payable for the Goods and Services specified in the Purchase Order.

Warranty Period, for a Product, means, the period of 12 months (or the period of the Supplier's standard warranty period if longer) from the date the Product is accepted by Airservices.

2.2 Interpretation

In the Agreement, unless the contrary intention appears:

- if the date on or by which any act will be done under the Agreement (other than the Services) is not a business day, the act will be done on or by the next business day;
- (b) a reference to:
 - a person includes successors, assigns and persons substituted by novation;
 - (ii) time is to local time in the place where the Goods and Services are to be supplied; and
 - (iii) "\$" or "dollars" is to Australian currency.

3 Term

Unless the parties agree in writing otherwise, the term of the Agreement starts from the date of issue of the Purchase Order (**Commencement Date**) and continues until the latter of:

- the Goods and Services have been accepted by Airservices in accordance with clause 6; or
- (b) any applicable Warranty Period expires,

unless the Agreement is otherwise terminated in accordance with clause 17.

4 Goods and Services to be supplied

The Supplier must:

- (a) supply the Goods and Services in accordance with these Standard Conditions, any Specifications, all applicable laws and relevant industry standards and the reasonable directions of Airservices; and
- (b) perform the Services with professional degree of care, skill and diligence expected from a supplier of the Services.

5 Packaging and delivery of Goods

5.1 Packaging

The Supplier must package each Product to ensure its safe delivery including to protect from corrosion, deterioration and physical damage during handling, transportation and storage.

5.2 Liability for marking and packaging

The Supplier is liable for all Losses of Airservices arising out of or in connection with any marking or packaging of the Goods that is incorrect, faulty, of inferior workmanship or improperly assembled.

5.3 Time and cost of delivery

The Supplier must:

- (a) deliver the Goods to the Delivery Point on the Delivery Dates, unless otherwise agreed in writing with Airservices; and
- (b) pay all freight costs and duties for each Product until it is accepted by Airservices under clause 6.

5.4 Liability for late delivery

The Supplier is liable for all Losses of Airservices arising out of or in connection with the Supplier's failure to deliver Goods to the correct Delivery Point by the correct Delivery Date, whether or not Airservices accepts late or changed delivery.

5.5 Documentation

The Supplier must, when delivering the Goods, give to Airservices any operation and maintenance manuals or other documentation required to use or operate the Goods and any required certification, approvals or other documentation which evidences compliance with applicable regulatory requirements.

6 Acceptance

6.1 Acceptance threshold

Within 30 days after delivery of a Product or Service, Airservices will:

- (a) if satisfied that the Product conforms to the Specifications and / or the Services meet Airservices requirements, give the Supplier notice of its acceptance; or
- (b) if not satisfied that the Product conforms to the Specifications or the Services do not meet Airservices requirements, give notice to the Supplier that it rejects or requires rectification of the Product and / or Service, including the reasons why.

6.2 Replacement and rectification

- (a) If Airservices notifies the Supplier under clause 6.1 that it has rejected or requires rectification of a Product or Service, the Supplier must within 30 days at its own cost and in accordance with Airservices' election but without prejudice to Airservices rights otherwise arising under the Agreement or at law:
 - replace the rejected Goods with Goods which accord with the Agreement;
 - re-perform the Services to the reasonable satisfaction of Airservices;
 - (iii) refund any payment for the rejected Goods and / or Services; or
 - (iv) repair or arrange to have repaired the Goods and / or Services, on site or otherwise, to the satisfaction of Airservices.
- (b) The process in this clause 6 will apply to the replacement or rectified Product or Service.

6.3 Deemed acceptance

If Airservices does not notify the Supplier that it has accepted a Product within 30 business days after delivery of that Product in accordance with clause 5, Airservices is deemed to have accepted the Product.

6.4 Latent defects

After acceptance Airservices can reject the Goods or Services for any non-conformity with the Agreement which could not have been discovered by reasonable inspection before acceptance.

6.5 Supplier's cost

- (a) Airservices will not be liable for any rejected Goods or Services or any damage done to or costs arising from inspection or rejection of the Goods or Services.
- (b) All returns, replacement, rectification and redelivery of non-accepted Products will be at the Supplier's cost.

7 Passing of title and risk

- (a) Risk in a Product passes to Airservices on delivery and reverts to the Supplier when Airservices gives notice that it rejects the Product, or when possession of the Product passes to the Supplier for the purposes of fulfilling its warranty obligations.
- (b) Title in a Product passes to Airservices when Airservices accepts (or is deemed to accept) that Product.
- (c) Title and risk in the materials forming part of the Services pass to Airservices on delivery to Airservices, while risk of loss or damage to the Services passes to Airservices following completion of the services.

8 Warranty Period for Goods

Without limiting any other right or remedy of Airservices, the Supplier must:

- (a) on receiving notice from Airservices, remedy within 30 days all Defects that are discovered in a Product during the Warranty Period for the Product; and
- (b) bear all costs in relation to performance of its warranty obligations except if the Defect is due solely and directly to Airservices' negligence or modification of the Product by Airservices contrary to the Specifications.

9 Where the Services include Minor Works

9.1 Application

This clause 9 applies where Airservices is procuring Minor Works as part of the Services.

9.2 Carrying out the Minor Works

The Supplier must carry out and complete the Minor Works in accordance with:

- (a) any specification set out in the Purchase Order;
- (b) the requirements of all authorities having jurisdiction over the Minor Works:
- (c) all reasonable directions of Airservices, including directions to rectify work not in accordance with the Agreement; and
- (d) the highest degree of skill and care that may be expected of a Supplier who is qualified and experienced in carrying out works similar to the Minor Works.

9.3 Warranty period for Minor Works

Unless otherwise provided in the Purchase Order the warranty period for the Minor Works will be 12 months from the Minor Works Completion Date.

9.4 Rectification of damage to the Minor Works

- (a) The Supplier is responsible for the care of the whole of the Minor Works from the Commencement Date to the date of handover to Airservices.
- (b) If the Minor Works are damaged during the period for which the Supplier is responsible for the care of the Minor Works, the Supplier must immediately and at its cost make good that damage so that the Minor Works conform to the requirements of the Agreement.

9.5 Variations to the Minor Works

- (a) Airservices may, at any time, direct a variation to the Minor Works by notice to the Supplier and the Supplier must comply with that direction. For the purposes of this clause 9.5(a), variation means any increase in or addition to, reduction in or omissions from, or variations in the form, character, quality or extent of the Minor Works.
- (b) Airservices will determine the cost of any variation using reasonable rates or prices. The Supplier shall not be entitled to any payment in respect of loss of profit or onsite or off-site overheads for omitted work.
- (c) The Supplier shall not be entitled to, and must not make any claim for, delay or disruption costs in connection with a variation directed by Airservices.

9.6 The Site

- (a) Airservices will, on the start date of the Minor Works, give the Supplier use of the Site as is necessary to enable the Supplier to carry out and complete the Minor Works in accordance with the Agreement.
- (b) The Supplier agrees to accept all risks in respect of the state or condition of the Site and under no circumstances may the Supplier make a claim against Airservices in respect of such state or condition.
- (c) The Supplier must only use the Site for activities necessary for carrying out the Minor Works and for no other purposes.
- (d) The Supplier must comply with all reasonable directions given by Airservices relating to the Site or activities carried out on the Site, including but not limited to: access, materials and substances allowed on the Site, actions to protect the public, dangerous activities, the use of special equipment, cleanliness and policies relating to smoking, drugs and alcohol.

9.7 Materials and workmanship

The Supplier must:

- (a) use good quality, new and undamaged materials, or materials approved by Airservices for the Minor Works which must be fit for their intended purpose;
- (b) ensure that all workmanship is of the highest quality and standards and is in accordance with the requirements of the Agreement; and
- (c) subject to any requirements set out in the Purchase Order, comply with relevant Australian Standards when executing the Minor Works.

9.8 Time

- (a) The Supplier must commence carrying out the Minor Works on the start date as notified in writing by Airservices.
- (b) The Supplier must diligently execute and progress the Minor Works and bring the Minor Works to completion by the Minor Works Completion Date.
- (c) If the Supplier is delayed in reaching completion by the Minor Works Completion Date as a result of any act (including a variation directed by Airservices), default or omission of Airservices, the Supplier shall be entitled to a reasonable extension of time.

9.9 Certificate of completion

- (a) The Supplier may request that Airservices issue a certificate of completion when the Supplier is of the opinion that the Minor Works have reached completion.
- (b) Within 5 days after receiving a request Airservices must, if satisfied that the Minor Works have reached completion:
 - issue to the Supplier a certificate of completion certifying that the Minor Works have reached completion and the date of completion; or
 - (ii) give the Supplier written reasons why the Minor Works have not reached completion.
- (c) The issue of a certificate of completion to the Supplier does not constitute approval by Airservices of work done under the Agreement and does not affect any claim which Airservices may have in relation to the carrying out of the Minor Works by the Supplier.

9.10 Urgent protection

Where Airservices determines that urgent action is necessary to protect the Minor Works or other property from loss or damage, or people from injury or death, the Supplier as directed by Airservices shall take such action immediately at its own cost. If the Supplier is unable or unwilling to take the necessary action, Airservices may arrange for others to do so and the costs incurred shall be a debt due by the Supplier to Airservices.

9.11 Cleaning up

The Supplier must keep the Minor Works clean and tidy, and on completion remove all surplus materials and equipment, and leave the Site in as clean and tidy a condition as it was in when the Minor Works commenced. The Supplier must reinstate at its own cost any damage caused during the performance of the Minor Works. If the Supplier fails to comply with any of its obligations under this clause, Airservices may arrange for others to perform the obligation and the costs incurred shall be a debt due by the Supplier to Airservices.

9.12 Security of payment

The parties agree that:

- (a) to the extent permitted by and for the purposes of the SOP Act, the 'reference dates' are the dates set out in the payment claim in accordance with the payment timeframe stipulated on the Purchase Order; and
- (b) a reference to a 'payment statement' is also a reference to a 'payment schedule' for the purposes of the SOP Act.

10 Invoicing procedure

10.1 Goods invoiced on acceptance

Unless agreed otherwise, the Supplier must give Airservices a Tax Invoice for delivered Products after acceptance of those Products in accordance with clause 6. The Supplier may only invoice Airservices for Products delivered and accepted.

10.2 Services invoices

Unless agreed otherwise, the Supplier must submit a Tax Invoice to Airservices for the Services upon the satisfactory completion of the Services, and in the case of Minor Works following the issue of a certificate of completion by Airservices.

11 Payment

11.1 Summary

- (a) Subject to the Agreement, Airservices will pay the Supplier the applicable Goods Prices and Fees.
- (b) The amount payable by Airservices under the Agreement will not exceed the Total Contract Price unless agreed in writing by Airservices.

11.2 Total Contract Price

The Total Contract Price includes all:

- (a) costs and expenses incurred by the Supplier in supplying the Goods and Services (including packaging);
- duties, imports, freight costs and expenses incurred by the Supplier in delivering the Goods to Airservices; and
- (c) amounts payable to use any Intellectual Property Rights.

11.3 Timing

Airservices will pay correctly rendered Tax Invoices within the payment timeframe stipulated on the Purchase Order.

11.4 Disputed amounts

Airservices may withhold payment of any invoiced amount that it disputes until that dispute is resolved in accordance with the Agreement.

11.5 GST

- (a) The Supplier warrants that it is registered for GST and will immediately advise Airservices if it ceases to be registered for GST.
- (b) Unless stated otherwise, the Goods Price and Fees are exclusive of GST.
- (c) If the Supplier makes a supply under or in relation to the Agreement in respect of which GST is payable, Airservices must pay to the Supplier an additional amount equal to the GST payable on the supply.
- (d) Airservices need not make a payment for a taxable supply made under the Agreement until the Supplier has given Airservices a Tax Invoice for that supply.

12 Supplier's general obligations

12.1 Hazardous chemicals and ozone depleting substances

The Supplier must not supply Goods containing hazardous chemicals or ozone depleting substances unless the import or manufacture of the substance is required to be licensed and it obtains Airservices' prior consent.

12.2 Work health and safety

- (a) In this clause 12.2, Notifiable Incident and Regulator have the meanings given in the Work Health and Safety Act 2011 (Cth) (WHS Act).
- (b) The Supplier must:
 - ensure that the Goods and Services are provided in a safe manner and not place Airservices in breach of its obligations under any laws concerning health and safety, including the WHS Act; and

(ii) if the Supplier is required by the WHS Act to report a Notifiable Incident to the Regulator in relation to the Goods or Services, promptly notify Airservices of the Notifiable Incident and, if requested by Airservices, provide a copy of any written notice given to the Regulator.

12.3 Subcontracting and workplace gender equality

- (a) The Supplier must not subcontract any part of its performance under the Agreement to a subcontractor named by the Workplace Gender Equality Agency as not complying with the Workplace Gender Equality Act 2012 (Cth) (WGE Act).
- (b) The Supplier entering into, or the termination, rescission or other end of, a subcontract does not relieve the Supplier from liability for the performance of any of its obligations under the Agreement.
- (c) Where the Purchase Order value exceeds \$400k and the Supplier is a 'relevant employer' under the WGE Act then the Supplier must comply with the WGE Act (including providing any required letter of compliance).

12.4 Audit

The Supplier must grant Airservices, its nominees and the Auditor-General access at reasonable times to the Supplier's premises and data, records, accounts and other material relevant to the performance of the Agreement.

12.5 Security obligations

The Supplier must comply with all security directions issued by Airservices in connection with the Goods or Services.

13 Intellectual Property Rights

13.1 Contract Material

Intellectual Property Rights in all Contract Material vest in Airservices on creation and Airservices grants the Supplier a non-exclusive, non-transferable, royalty-free licence for the term of the Agreement to use the Contract Material solely for the purposes of performing its obligations under the Agreement.

13.2 Background Supplier Material licence

The Supplier grants to, or will procure for, Airservices a perpetual, irrevocable, non-exclusive, world-wide, royalty-free licence (including the right to sublicense) to use, reproduce, adapt, modify, communicate and exploit all Background Supplier Material for the purpose of receiving the full benefit of the Goods and Services.

13.3 Third Party Material

The Supplier must ensure that the Third Party Material is licensed to Airservices on terms and conditions that mirror those in clause 13.2.

13.4 Airservices Material licence

Subject to any conditions or limitations of third parties notified by Airservices to the Supplier Airservices grants the Supplier a non-exclusive, non-transferable, royalty-free licence for the term of the Agreement to use, copy and modify any Airservices Material supplied by Airservices to the Supplier for the sole purpose of providing the Goods and Services.

14 Confidential Information and privacy

14.1 Confidential Information

The Supplier may not use or disclose any Confidential Information of Airservices for any purpose other than for performing its obligations under the Agreement, or if required to do so by law or a stock exchange.

14.2 Privacy

Where the Supplier deals with Personal Information under the Agreement it must not do any act or engage in any practice that would breach an Australian Privacy Principle (APP) under the *Privacy Act 1988* (Cth) if done or engaged in by Airservices and

must not do or omit to do anything that causes Airservices to be in breach of an APP or the *Privacy Act 1988* (Cth).

15 Insurance

The Supplier must:

- effect and maintain the insurances specified in the Insurance Requirements for the period specified in the Insurance Requirements; and
- (b) give evidence of the insurances, and their currency, acceptable to Airservices on request.

16 Supplier's warranties and indemnity

16.1 General warranties

The Supplier warrants that:

- (a) if the Supplier is a trustee, it enters the Agreement personally and in its capacity as trustee and has full power and authority under the relevant trust instrument(s) to do so; and
- (b) neither it nor any of its personnel have an actual or perceived conflict of interest, or anticipates such a conflict, relevant to the performance of the Agreement.

16.2 Goods warranties

- (a) The Supplier warrants that, at acceptance of a Product under clause 6, it transfers to Airservices good and unencumbered title to the Product.
- (b) The Supplier warrants that each Product:
 - is and will perform in accordance with the Specifications;
 - (ii) unless agreed otherwise, is new and has not been previously installed other than for testing;
 - (iii) is free from viruses and Defects and is of merchantable quality and fit for purpose; and
 - (iv) conforms to any sample supplied by the Supplier and is compatible with all interdependent Products.

16.3 Services warranties

The Supplier warrants that:

- the Services will be fit for the purposes for which they are sought and any materials used to perform the Services will be free from defects in design, performance and workmanship;
- it has appropriately qualified personnel who are suitably trained and experienced and (where appropriate) will be authorised under law to perform the Services; and
- (c) neither it nor any of its employees, agents or subcontractors has an actual or perceived conflict of interest or anticipates such a conflict, relevant to the performance of the Services.

16.4 Indemnity and liability cap

- (a) The Supplier indemnifies Airservices, its officers and employees in respect of all Losses arising out of or in connection with:
 - any negligent, unlawful or wilfully wrong act or omission of the Supplier or its subcontractors or personnel; or
 - the Supplier's performance or non performance or any breach or default of its obligations under the Agreement.
- (b) To the extent permitted by law, neither party is liable to the other party for any indirect loss or any special or punitive damages arising in relation to the Agreement.
- (c) Each party's liability to the other party for any Loss arising out of the Agreement is first reduced to the extent the second party contributed to the Loss and then limited to five times the Purchase Order value (**Liability Cap**).

(d) The Liability Cap does not apply to the following categories of Loss: personal injury, loss of (or damage to) property, breach of security, privacy or confidentiality, infringement of Intellectual Property Rights, pollution and environmental damage, wilful default or unlawful and illegal acts.

17 Termination

17.1 Termination and reduction in scope

Airservices may terminate the Agreement or reduce its scope at any time by notice to the Supplier with immediate effect for convenience, or if the Supplier breaches any provision of the Agreement and fails to remedy the breach within 30 days of receiving notice from Airservices to do so, or becomes Insolvent.

17.2 Consequences of termination

- (a) On termination the Supplier must repay any advance payments made by Airservices for Goods or Services not provided by the termination date.
- (b) Without limiting any other right or remedy of Airservices, if the Agreement is terminated for default the Supplier must pay the Loss incurred by Airservices in relation to the termination and procuring goods or services from another supplier.
- (c) If Airservices terminates the Agreement for convenience:
 - (i) Airservices will pay the Supplier for the Goods and Services provided in accordance with the Agreement before the termination date and the reasonable unavoidable costs incurred by the Supplier directly attributable to the termination (where the Supplier can substantiate those costs), provided that Airservices is not required to pay any amount which would exceed the Total Contract Price; and
 - (ii) the Supplier will not be entitled to claim any compensation.

17.3 Consequences of reduction in scope

If the scope of the Agreement is reduced under clause 17.1:

- the Goods Prices, Total Contract Price and Fees will be reduced to reflect the reduced costs in providing the remaining Goods and Services; and
- (b) the Supplier must comply with Airservices' directions about the Goods and Services remaining in scope.

18 Dispute resolution

The parties must endeavour to resolve any dispute under the Agreement by mediation or other dispute resolution method before they commence legal proceedings (except proceedings for urgent interlocutory relief).

19 Miscellaneous

19.1 Varying the Agreement

Subject to clause 17.1, the Agreement may only be varied by the parties executing a written variation.

19.2 Waiver

A provision of, or a right created under, the Agreement may not be waived except in writing signed by the party/ies to be bound.

19.3 Applicable law

This deed is governed by the laws of the Australian Capital Territory and each party consents and submits to the jurisdiction of the courts of the Australian Capital Territory as a convenient forum concerning any dispute between them.

19.4 Survival

Clauses 8, 12.4, 13, 14, 15, 16, 17 and 19 survive the termination or expiry of the Agreement, as do any other provisions that by implication from their nature are intended to survive termination or expiry of the Agreement.