

**BEACH ENERGY LIMITED**  
**PURCHASE ORDER TERMS AND CONDITIONS (October 2019)**

**IT IS AGREED between the Company and the Supplier that, unless otherwise agreed between them in writing, the following terms and conditions shall apply to all Purchase Orders issued by the Company.**

**1. AGREEMENT TO SUPPLY GOODS AND/OR SERVICES AND/OR RENTAL ITEMS**

- 1.1. When the Company requires the supply of Goods and/or Services and/or Rental Items from the Supplier, the Company will issue a Purchase Order for the Goods and/or Services and/or Rental Items which will reference and be subject to these terms and conditions.
- 1.2. The acceptance by the Supplier of a Purchase Order constitutes an agreement to supply the Goods and/or Services, or lease the Rental Items, on these terms and conditions ("**Contract**"). The Supplier's acceptance of a Purchase Order may be evidenced by the supply of any Goods or Rental Items or performance of any Services (as applicable). The Contract consists of the Purchase Order, these terms and conditions and its annexures and schedules, and for the avoidance of doubt, does not include any terms or conditions of the Supplier, unless agreed in writing by the Company. The Contract binds the Supplier both personally and as trustee of any trusts for which it is trustee.
- 1.3. The Supplier agrees to supply the Goods and/or Services and/or Rental Items to the Company in consideration for the Price.
- 1.4. If a Purchase Order contains provisions (the "**Special Conditions**") which are inconsistent with any term or condition herein, the Special Conditions shall prevail to the extent of the inconsistency.
- 1.5. Where a Purchase Order refers to a term included in Incoterms 2020, the rules and definitions governing that term in Incoterms 2020 will apply, except to the extent that they conflict with any other provision of this Contract.
- 1.6. If the Company acquires the Goods and/or Services and/or Rental Items as operator of a joint venture, the Company enters into this Contract as agent for and on behalf of the relevant joint venture participants severally in proportion to their participating interest shares. In all circumstances, the Supplier must communicate and deal directly and exclusively with the Company in relation to all matters and claims connected to this Contract.

**2. PERFORMANCE OF SERVICES AND DELIVERY OF GOODS AND/OR RENTAL ITEMS**

- 2.1 Subject to clause 2.2, unless indicated to the contrary on the Purchase Order, the Supplier must perform the Services at, and/or Deliver the Goods and/or Rental Items to, the Delivery Location on the Delivery Date or, if no date is specified, as soon as is reasonably possible.
- 2.2 The Company may, at any time, at the Company's discretion, by notice in writing to the Supplier, adjust the Delivery Date or advise an alternate Delivery Location.
- 2.3 Where a Delivery Date is specified, time shall be of the essence of this Contract. In the event of the Supplier failing to deliver by the Delivery Date, the Company may cancel the Purchase Order or any part thereof without prejudice to any other rights, remedies or powers available to it.
- 2.4 Goods and Rental Items must be packed and marked in accordance with the requirements of clause 8.
- 2.5 On Delivery, Goods and Rental Items must be accompanied with a packing slip identifying the Purchase Order number, destination, recipient and total number of packages, as well as the information required to be disclosed in the Supplier's invoice in relation to the delivered Goods and Rental Items, as set out in clause 7.1, and such other information as may be required by law and/or requested by the Company including any document complying with Safe Work Australia's publication "Code of Practice for the Preparation of Safety Data Sheets for Hazardous Chemicals" or other approved document dealing with material safety data.
- 2.6 No delivery receipt issued or payment made by or on behalf of the Company shall (or be deemed to) vary the terms of the Purchase Order or prejudice the Company from later exercising any right, power or remedy under this Contract or otherwise at law available to it.

**3. RISK, TITLE AND PROPERTY**

- 3.1 Subject to clause 5, title to and property in the Goods immediately passes to the Company upon payment of the Price (whether in part or in full) or Delivery (whichever is the earliest to occur).
- 3.2 Subject to clause 5, risk in the Goods and/or Rental Items remains with the Supplier until Delivery.
- 3.3 Where Goods and/or Rental Items are lost or damaged prior to Delivery, the Supplier will replace them at no cost to the Company.

**4. RENTAL CONDITIONS**

- 4.1 Where the Purchase Order is for the supply of Rental Items, whether or not in conjunction with the supply of Goods and/or Services, this clause 4 will apply in addition to all other applicable clauses in these terms and conditions.
- 4.2 The Supplier retains full title to the Rental Items.
- 4.3 If, with the Supplier's consent, the Company wishes to continue to retain possession of the Rental Items after the Rental Expiry Date, the Company will issue a new Purchase Order in respect of the Rental Items, on the same terms as the original Purchase Order.
- 4.4 Subject to the Company paying the Price for the Rental Items, the Supplier must permit the Company to possess and enjoy the Rental Items during the Term without any interruption or disturbance from the Supplier.
- 4.5 On the Rental Expiry Date or upon the termination of the Purchase Order, the Rental Items will, subject to fair wear and tear, considering the conditions in which the Rental Items were supplied, either be (depending on the terms of the Purchase Order):
  - (a) returned to the Supplier by or on behalf of the Company (at the Company's cost); or
  - (b) collected by the Supplier (at the Supplier's cost).

**5. INSPECTION, TESTING AND DEFECTS**

- 5.1 All Goods and/or Rental Items shall be accepted by the Company subject to inspection and/or testing by the Company either within a reasonable time after Delivery or before Delivery (at the Company's discretion) and the Company being satisfied with the Goods and/or Rental Items. Signed Delivery documents shall not mean acceptance by the Company of the Goods and/or Rental Items delivered. Any monies paid by the Company to the Supplier prior to inspection of the Goods and/or Rental Items shall be deemed to have been paid conditional upon, and subject to, the Goods and/or Rental Items being free of any material defects, to the satisfaction of the Company, following inspection by it.
- 5.2 The Company will promptly after the inspection and/or testing referred to in clause 5.1, notify the Supplier of any failure of the Goods and/or Rental Items to comply with the Specifications or this Contract, or of any defects in or damage to the Goods and/or Rental Items found by the Company. The Company will hold any such Goods and/or Rental Items pending the Supplier's instructions and at the Supplier's risk for a reasonable period not exceeding 30 days. If the Supplier's instructions are not received by the Company within such period, the Company may:
  - (a) return the Goods and/or Rental Items to the Supplier's premises at the Supplier's expense and risk and any expense incurred by the Company by such return will be payable forthwith by the Supplier, shall constitute a debt due and payable to the Company recoverable by the Company in a court of competent jurisdiction, and may be set off by the Company (pursuant to clause 7.5 or otherwise) against any moneys otherwise due by the Company to the Supplier or recoverable by the Supplier from the Company;
  - (b) after giving written notice to the Supplier, sell the Goods and/or Rental Items on behalf of the Supplier and forward the proceeds of the sale, after making due deductions for the Company's costs in effecting the sale, to the Supplier; or
  - (c) at the Company's election, undertake a combination of (a) and/or (b) in the proportion determined by the Company.
- 5.3 Notwithstanding any other provision of these terms and conditions, in the case of Goods and/or Rental Items to which clause 5.2 applies:
  - (a) ownership of and title to the Goods will not pass to the Company;
  - (b) risk in those Goods shall remain with the Supplier;
  - (c) the Company shall be under no liability to pay for the Goods or their costs of Delivery; and
  - (d) the Company reserves the right to make a Claim against the Supplier in respect of any such Goods.
- 5.4 Without limitation to clause 5.2, the Company may reject any Goods and/or Rental Items at any time within 30 days of the Company finding that they do not meet any material stipulation or requirement of these terms and conditions as to quality or fitness in which event the Company shall be entitled to a credit or refund (as appropriate) of the Price (or part thereof, if only paid in part).
- 5.5 Title and risk in any Goods and risk in any Rental Items rejected under clause 5.4 shall, as from the date of such rejection, revert to the Supplier and may be returned at the Supplier's expense.
- 5.6 Without limitation to clause 5.4, acceptance by the Company of defective Goods and/or Rental Items shall not preclude it from rejecting subsequently other defective Goods and/or Rental Items delivered under the Purchase Order because of the same or other defects.

- 5.7 No payment of the Price or any part thereof shall constitute a waiver of any rights or claims, which the Company may have arising out of or connected with any inspection.

- 5.8 The Company's acceptance of the Goods and/or Rental Items under this clause **Error! Reference source not found.** will not preclude or prejudice any rights, powers or remedies the Company may have as a result of a breach of any warranties provided by the Supplier to the Company under these terms and conditions together with any warranties implied by law.

**6. PRICE**

- 6.1 The Company agrees to pay the Price for the Goods, Rental Items and/or Services specified in the Purchase Order, subject to these terms and conditions.
- 6.2 Unless otherwise provided, the Price is not subject to rise and fall and is inclusive of all Taxes (which shall be disclosed in the Purchase Order) excluding, for the avoidance of doubt, GST and withholding tax (where applicable).
- 6.3 The Price is payable in Australian Dollars unless otherwise specified in the Purchase Order.
- 6.4 Payment of the Price by the Company is subject to receipt of the Goods and/or Rental Items in good order and is on the basis set out in clause 5.1, or performance of the Services in accordance with this Contract.
- 6.5 The Price is inclusive of Delivery, packaging and transport costs and all other costs that may be incurred by the Supplier in the course of the performance of its obligations under this Contract, unless otherwise stated in the Purchase Order.

**7. PAYMENT, ACCOUNT AND DEDUCTIONS**

- 7.1 The Supplier shall submit one (1) copy of each tax invoice or credit note in respect of Delivered Goods, Rental Items and/or Services which shows the quantity of Goods, Rental Items and/or Services supplied, the Price applying to those, the Purchase Order number and (if applicable) the Company material number. The tax invoice must show units of measure and Price consistent with the Purchase Order. Where applicable, invoices must be accompanied by copies of timesheets for Services provided in the period to which the invoice relates, and appropriate supporting documentation for any other fees, charges or expenses.
- 7.2 Except as otherwise agreed, all invoices must be forwarded to: [accounts@beachenergy.com.au](mailto:accounts@beachenergy.com.au).
- 7.3 Subject to clause 5 and the remaining provisions of this clause the Company shall pay the amount properly invoiced by the Supplier (except to the extent that the invoice is in dispute) within thirty (30) days of the end of the month in which the invoice is submitted, unless other payment terms have been agreed between the Company and the Supplier.
- 7.4 The Company will be entitled to withhold payment of any sum which is disputed in good faith, and the Supplier must continue to supply the Goods and/or Rental Items and/or perform the Services under the relevant Purchase Order and any other Purchase Orders, until the dispute is resolved. On satisfactory resolution of the dispute (which must be resolved in accordance with clause 15.8), the Company will pay the amount (if any) determined to be payable by it within 14 days of resolution of the dispute.
- 7.5 In addition to any other rights that it may have under these terms and conditions or otherwise, if the Company suffers any loss, damage, claim or expense which in the reasonable opinion of the Company does or may result in the Supplier being required to indemnify the Company by reason of law, equity, contract or otherwise including:
  - (a) all costs, damages and expenses which the Company may have paid for or incurred in connection with the supply of Goods, Rental Items and/or Services for which the Supplier is liable and which remain unpaid by the Supplier; and
  - (b) all debts owed by the Supplier to the Company and which remain unpaid on any account whatsoever,

then the Company shall be entitled (without prejudice to any other right or remedy it may have howsoever) to deduct from and set off (by way of contractual defence) against any monies due or that become due to the Supplier or claim which the Supplier may have against the Company howsoever arising, an amount which the Company estimates to be the quantum of its loss, damage, claim or expense (as if such claim were a liquidated claim in the event that it is not).

- 7.6 The Company shall be entitled to treat any Claim (of whatsoever nature) it has or may have against the Supplier as liquidated to the extent of the amount involved for which purpose a certificate (which may be substituted from time to time) signed by a representative of the Company, in good faith and setting forth the Company's bona fide estimate of its claim, loss or damage shall be deemed a debt due until determined by a court otherwise.

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7.7 The Company shall be entitled to return to the Supplier unpaid any invoice that fails to contain the information described in clause 7.1, and the Supplier must submit a replacement invoice which complies with clause 7.1.

**8. PACKAGING AND MARKING INSTRUCTIONS**

8.1 Adequate and safe packaging of the Goods and Rental Items is the responsibility of the Supplier.

8.2 Goods and Rental Items shall be appropriately marked and identified by the Supplier as the property of the Company and be packed in accordance with the requirements (if any) set out in the Purchase Order. Goods and Rental Items shall be packed in a form consistent with good trade practices and all applicable laws and safety requirements (including, where transport is by land within Australia, all applicable requirements of the Australian Dangerous Goods Code).

8.3 If the Supplier arranges for the carriage of, or carries, the Goods or Rental Items by road, the Supplier must:

- (a) comply with the Beach Energy Specification for Packaging, Marking and Labelling, which is available at the Company's website <https://www.beachenergy.com.au/for-suppliers/>, and any Company Procedures in regard to loading, unloading or transportation of the Goods and Rental Items;
- (b) ensure that it complies at all times with all state and federal laws, regulations and applicable codes in regard to road transportation and use, including without limitation, ensuring that loads do not exceed vehicle dimension limits and vehicle mass limits and ensuring that loads are appropriately secured;
- (c) ensure that, where applicable, the Goods and Rental Items are clearly marked with their dimensions, mass and handling instructions; and
- (d) to the extent permitted by law, indemnify and keep indemnified the Indemnified Parties in respect of any breach by the Supplier or its employees, agents or contractors of its obligations under this clause 8.3.

8.4 Without limiting the generality of the obligations set out in clause 8.3, if the Supplier is carrying the Goods or Rental Items or providing Services in connection with the Cooper Basin, the Supplier must also ensure that all Supplier Personnel observe and comply with the following road use rules:

- (a) Supplier Personnel must hold and carry a relevant, current driver's license and must have received 4WD training by a recognised competence-based training provider at a maximum 5-year interval;
- (b) the open road speed limit is 80 Km/hr the Cooper Basin, however this may be reduced for roadwork or other activities and will be indicated by signs, and particular road conditions may dictate a lower speed and drivers must drive at a speed suitable to the prevailing conditions;
- (c) dust is a major hazard associated with driving in the Cooper Basin area, therefore drivers must never:
  - (i) drive when forward visibility is obscured, and if forward visibility is restricted, drivers should pull well off the road and stop until the dust clears; or
  - (ii) pass another vehicle unless the visibility ahead is clear;
- (d) as necessary in the Cooper Basin, Santos Limited may, from time to time and at its absolute discretion, close roads to all users in the event of adverse weather conditions or for any other reason which in its opinion compromises safety for road users or results in disproportionate damage to roads;
- (e) information in relation to Cooper Basin road conditions in the Cooper Basin may be obtained by calling the Moomba Communications Centre on 08 8675 6666 or 08 86754246;
- (f) any abnormal activity associated with roads, including road works, is highlighted by the display of the appropriate signage, and all Supplier Personnel must strictly comply with displayed road signs; and
- (g) no Supplier Personnel must dispose of or allow any litter to be deposited into the environment.

8.5 Failure to comply with this clause 8 may, at the election of the Company, result in the Goods and/or Rental Items being rejected and returned at the Supplier's expense or the Purchase Order being terminated (in which case clause 13 shall apply).

**9. SUPPLIER'S WARRANTIES**

9.1 The Supplier represents and warrants to the Company that:

- (a) it has the right to sell the Goods and/or lease the Rental Items to the Company on these terms and conditions and, subject to clause 5, upon payment of the Price (whether in part or in full) or Delivery (whichever is the earlier to occur) the Company will have good title to the Goods, free and clear of all interests and encumbrances including Security Interests;
- (b) the Goods and/or Rental Items delivered to the Company will correspond in all respects with the Specifications and the representations made by the Supplier and any sample provided by or on behalf of the Supplier;

- (c) the Supplier holds all relevant import licences, consents or authorities necessary for the performance of this Contract including, without limitation, labour hire licences under the *Labour Hire Licensing Act 2017* (SA), *Labour Hire Licensing Act 2018* (VIC) or similar legislation in such other jurisdictions as the Services may be provided, and is responsible for the satisfaction of, and compliance with, the terms or conditions of any such approval;
- (d) the Company will have the full benefit of any manufacturer's warranties that may be applicable to the Goods or any part of the Goods;
- (e) the Goods will be of merchantable quality and free from defects in design, manufacture and assembly;
- (f) the Goods, Rental Items and Services will be fit for any particular purpose which the Company has made known (whether expressly or by implication) to the Supplier and will be fit also for the purpose for which Goods, Rental Items and/or Services of a similar nature are commonly supplied;
- (g) the Goods, Rental Items and/or Services will comply with all laws (including statutes, the common law and equity) in force in the jurisdiction in which they are supplied and with all relevant standards issued by Standards Australia;
- (h) the Services performed by the Supplier will be performed in accordance with the Specifications and the terms and conditions described in the Purchase Order and in accordance with the standards of a reasonable and prudent provider of those Services;
- (i) the Services performed by the Supplier will be performed using due skill, care and diligence, in a safe and competent manner and using qualified Supplier Personnel and equipment and materials of merchantable quality and fit for their use or intended use;
- (j) Supplier Personnel who are involved in the performance of the Services and/or the supply of the Goods and/or Rental Items are competent and have the appropriate qualifications, job skills and training and hold and will maintain all required licences, permits and authorities; and
- (k) the Services will be performed in a timely manner and in accordance with the timeframes specified in the Special Conditions (if any), in which case time shall be of the essence.

9.2 Subject to clause 9.4, the Supplier will be required to repair or replace any Goods or Rental Items, or re-perform any Services, which do not conform to any warranty, upon receipt of notice from the Company.

9.3 Where the Supplier repairs or replaces any Goods or Rental Items or re-performs any Services pursuant to any warranty, the Supplier shall bear all the costs occasioned thereby including the removal and transportation costs of the Goods and/or Rental Items from and return to the Company's premises, labour costs and the costs of replacing or providing new parts for the Goods and/or Rental Items.

9.4 If any defect attributable to the design (other than a design provided by the Company), workmanship or operating characteristics of the Goods arises at any time up to the later of 30 months from the date the Goods are delivered or supplied, the Supplier must at its own expense and as soon as practicable after receiving notice from the Company, make such alterations, repairs and replacements to the Goods, as necessary to correct the defective design, workmanship or operating characteristics.

9.5 If the Supplier fails to comply with the requirements of clauses 9.2, 9.3 and/or 9.4, the Company may have the deficiency rectified by third parties and recover the reasonable costs of doing so from the Supplier.

9.6 Where the Supplier obtains any warranties or guarantees not specified in these terms and conditions, the Supplier must ensure that it assigns to the Company the benefit of such warranties or guarantees.

**10. INDEMNITY**

10.1 The Supplier indemnifies each Indemnified Party against any and all Claims arising, whether at common law or under statute, (and releases each Indemnified Person from, and waives, all Claims against them) arising out of, in relation to or in connection with (directly or indirectly):

- (a) the Supplier's performance of this Contract or any breach by the Supplier of any of its obligations under this Contract, including in respect of liability to any third party for death or bodily injury and loss of or damage to (or loss of use of) any property arising out of anything done or omitted to be done by the Supplier or the Supplier Personnel and liabilities arising from sudden and accidental pollution;
- (b) the performance, purported performance or non-performance of the Goods and/or Rental Items;
- (c) any fault due to bad workmanship or faulty materials in any Goods and/or Rental Items;
- (d) any act, omission or default by the Supplier or the Supplier Personnel in or in connection with or in relation to the supply of the Goods, Rental Items and/or Services; or
- (e) the presence of any Supplier Personnel on or about the Company's premises or any premises on which any Supplier Personnel are situated as a result of or in connection with this Contract, in respect of:

- (i) injury to or death of any person; or
- (ii) loss or damage of any property.

10.2 In the event that any of the Indemnified Parties suffers or incurs any loss, costs or expenses which the Supplier has indemnified the Indemnified Parties against pursuant to clause 10.1, the Supplier must diligently and in good faith take all action to make and pursue a claim for indemnity under the insurances that the Supplier is required to obtain and maintain pursuant to clause 11.

10.3 In the event that the Supplier Personnel require emergency evacuation from remote areas whilst undertaking the Services, the Supplier agrees that it will be liable for all costs and expenses related to such evacuation and will indemnify the Company to the extent that such costs and expenses are incurred by the Company. Evacuation costs and expenses incurred by the Company and notified to the Supplier will be paid within 14 days of request for payment.

10.4 The Supplier's indemnity obligations under this Contract shall survive the expiry or earlier termination of this Contract.

**11. INSURANCE**

11.1 The Supplier shall maintain with reputable insurers (which insurers must have a Standard and Poor's rating of 'A' or higher), the following insurances:

- (a) workers' compensation including common law liability for an unlimited amount and/or otherwise comply with all the laws and/or regulations of any State and/or Territory with respect to legislation governing benefits for compensable disabilities payable to Supplier Personnel engaged in the performance of the Services. If requested by the Company, this policy must include a principal's indemnity endorsement;
- (b) public and products liability insurance covering liability resulting from death or bodily injury and loss or damage to property: minimum sum insured \$20,000,000 per occurrence (and in the aggregate for products liability). If requested by the Company, this policy must name the Company as principal or additional insured;
- (c) insurance against all normally insurable risks of physical loss or damage to the Goods and/or Rental Items or any part thereof, such insurance to cover the full insurable value of the Goods and/or Rental Items and to apply until the Goods and/or Rental Items are Delivered. If requested by the Company, this policy must name the Company as principal or additional insured;
- (d) insurance on all Supplier's property utilised in the performance of the Services;
- (e) where the Supplier Personnel are driving to or from Company premises outside urban areas, automobile bodily injury insurance (being compulsory third party insurance as required by laws and/or regulations);
- (f) comprehensive motor vehicle/third party property damage insurance covering all motor vehicles owned, leased or hired by the Supplier and used in the performance of the Services with a minimum sum insured of \$20,000,000 per occurrence; and
- (g) where the Services include professional services (in the Company's opinion), the Supplier must arrange and maintain professional indemnity insurance insuring professional liabilities arising from the provision of the Services, for a minimum sum insured of \$5,000,000 per occurrence and \$5,000,000 in the annual aggregate.

**11.2 General Conditions**

- (a) Insurances shall be purchased by the Supplier before the commencement of the risks under this Contract to which the insurance relates and shall be maintained for the Term.
- (b) The Supplier shall ensure that each of its subcontractors purchases and maintains the insurance required by clause 11.1.
- (c) If the Supplier fails to:
  - (i) purchase or maintain any of the insurances which the Supplier is required to purchase and maintain; or
  - (ii) punctually pay the premiums in respect of the policies of insurance, the Company may, but shall not be obliged to, purchase and maintain any such insurance and pay such premiums and associated charges as may be necessary for that purpose and may recover as a debt due from the Supplier the amount so paid. Alternatively, the Company may refuse payment upon any invoice until the Supplier fulfils its obligations under this clause.
- (d) Notwithstanding that the Company may purchase and maintain such insurance if the Supplier fails to do so, the Supplier shall be deemed to have indemnified the Indemnified Parties against all Claims which may arise as a result of the Supplier failing to so insure.
- (e) The Supplier must not do, permit or suffer to be done or omit to do, any act, matter or thing whereby the policies required by clause 11.1 may be vitiated, rendered void or voidable, or whereby the premium of such insurance may be liable to be increased.

**11.3 Records and Certificates**

- (a) The Supplier shall prior to the commencement of the supply of Goods and/or Rental Items and/or the performance of Services and when required by the Company,

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provide certificates of currency evidencing the extent of insurances required by clause 11.1.

not exceed the total Price. Upon such payment the ownership of all Goods and incomplete work shall pass to the Company.

- (b) The Supplier shall when required by the Company make available for inspection by the Company the policies of insurance purchased and maintained by the Supplier for the purpose of complying with the Supplier's obligations under the Purchase Order and the receipts for payment of the current premiums.
- (c) The provision by the Supplier to the Company of a copy of any insurance policy purportedly purchased in accordance with this Contract does not constitute acceptance by the Company that such insurance has been purchased by the Purchase Order or in accordance with the Purchase Order.

**11.4 Claims**

- (a) The Supplier shall be responsible for any deductibles applicable under the insurance policies purchased and maintained by the Supplier pursuant to clause 11.1.
- (b) If an event occurs which may give rise to a claim involving the Company and/or its employees, agents or consultants under a policy of insurance purchased and maintained by the Company or the Supplier as required under these terms and conditions, the Supplier shall notify the Company and shall ensure that the Company is kept fully informed of subsequent action and developments regarding the claim.
- (c) The purchasing and maintaining of insurance as required under these terms and conditions shall not in any way limit the responsibilities and obligations of the Supplier under any provisions of these terms and conditions, including the indemnities under clause 10.

**12. INTELLECTUAL PROPERTY RIGHTS AND ROYALTIES**

- 12.1 Unless otherwise specified in the Purchase Order, all Intellectual Property Rights produced or created in the course of supplying the Goods and/or providing the Services under this Contract vest in (and are hereby assigned to) the Company.
- 12.2 The Supplier grants (and must procure any relevant third party grant) the Company a non-exclusive, perpetual, irrevocable, transferable and royalty-free licence (including the right to sub-license) to use (including modify and develop) such intellectual property rights the Supplier or a third party held prior to entry into this Contract or developed independently of this Contract as is required to install, enjoy, exploit, dispose of or utilise any Good or Service.
- 12.3 The Supplier warrants that the supply of the Goods, Rental Items and/or Services under this Contract, and any use of them by the Company or any other person for any purpose, will not infringe any Intellectual Property Rights. The Supplier undertakes at its expense to defend, protect and hold harmless the Company and the users of the Company's products and services from and against any Claim for infringement of any Intellectual Property Rights arising by reason of the supply and/or use of the Goods, Rental Items and/or Services.
- 12.4 The Goods are for the use of, or re-sale by, the Company and its Related Bodies Corporate and may be incorporated in any products made or services provided by or to the Company. In no event shall any claim for royalties or other additional compensation be made by the Supplier by reason of such use, re-sale or manufacture. The Supplier must bear any such royalties or compensation and indemnifies the Company in respect of any liability for them that the Company incurs.

**13. TERMINATION**

- 13.1 In the event of the Supplier becoming bankrupt, insolvent, going into receivership, external administration or liquidation, or passing a resolution for winding up, or assigning its estate or any substantial part thereof for the benefit of its creditors, the Company may immediately, without notice, cancel the Purchase Order.
- 13.2 The Company may at its option and in its absolute discretion, cancel any undelivered Goods, Rental Items and/or Services not yet provided by notice to the Supplier in writing.
- 13.3 In the event of a terminated Purchase Order which covers standard stock Goods, the Company's only obligation to the Supplier shall be to pay for Goods delivered prior to the cancellation.
- 13.4 If the Purchase Order covers Goods manufactured or fabricated or to be manufactured or fabricated to the Company's specifications or to specifications prepared by the Supplier on the Company's instructions, then upon receipt of a notice of termination from the Company, the Supplier shall immediately stop all performance under the Purchase Order except as otherwise directed by the Company provided that if the Supplier is not in default, the Company shall, on termination under clause 13.1, pay the Supplier:

- (a) all costs incurred by the Supplier in connection with the Purchase Order up to the date of termination; and
- (b) such other costs including cancellation charges under subcontracts reasonably incurred by the Supplier provided however that the total cancellation payments shall

- 13.5 In addition to any other rights under a Contract, either party may terminate a Contract if the other party materially breaches its obligation and fails to remedy that breach within 14 days of request.

**14. HEALTH, SAFETY AND ENVIRONMENT**

- 14.1 The Supplier Personnel must in all respects be or be deemed to be under the control and direction of the Supplier, and the Supplier will be responsible for complying (and ensuring that all Supplier Personnel comply) at all times with the provisions of all Company Procedures and all applicable health, safety, welfare and environmental legislation, including, without limitation, the Beach Energy Code of Conduct, which is available at the Company's website <https://www.beachenergy.com.au/for-suppliers/>.
- 14.2 All Goods, Rental Items and plant and equipment utilised by the Supplier in providing the Services, must meet the requirements of all relevant safety legislation, Australian Standards, approved codes of practice, good industry practice and Company Procedures.
- 14.3 The Supplier must comply with the Company Procedures. A breach of any Company Procedures by the Supplier or the Supplier Personnel is a breach of this Contract.
- 14.4 The Supplier must report to the Company immediately and a written preliminary incident report must be provided within 24 hours of:
- (a) all accidents or occurrences resulting in injuries and potentially hazardous events that might lead to injury to (ie near misses) to the Supplier Personnel or third parties;
- (b) all damage to property of the Supplier, the Supplier Personnel or third parties; and
- (c) all accidents or occurrences resulting in damage to the environment,

arising out of or during the course of the performance of this Contract by the Supplier or the Supplier Personnel. The Supplier will provide the Company with a finalised and approved incident report stating causal factors and preventative and corrective actions, appropriate to the actual and potential severity of the incident within 7 days from the time of the incident.

- 14.5 The Supplier must report to the Company all accidents or occurrences resulting in damage to the environment arising out of or during the course of the performance of this Contract by the Supplier or the Supplier Personnel, immediately upon becoming aware that the said accident or occurrence has caused damage to the environment or in any event within 2 hours of becoming aware that the said accident or occurrence has caused damage to the environment and a written preliminary incident report must be provided within 24 hours. The Supplier will provide the Company with a finalised and approved incident report stating causal factors and preventative and corrective actions, appropriate to the actual and potential severity of the incident within 7 days from the time of the incident.
- 14.6 In the event that a serious incident occurs that requires notification to a regulatory body, the Supplier must cease all activities and the incident site must be preserved until approval is given to re-commence by the designated Company representative.
- 14.7 If requested by the Company, the Supplier must supply the following documentation to the Company's Health Safety and Environment representative:
- (a) monthly safety statistics within 7 days of the end of each calendar month;
- (b) quarterly Supplier group safety statistics within 30 days of the end of each quarter; and
- (c) Supplier Personnel training and competency matrix at commencement of this Contract, updated at intervals during the Term that may be reasonably required by the Company.

- 14.8 Without limiting clause 13, if the Supplier does not comply with the requirements of this clause 14 or any other instructions or directions given by a representative of the Company, the Company may, with immediate effect and despite any other provision of this Contract, suspend the performance of this Contract until such time as the Company provides written notice to the Supplier that it is satisfied that compliance with those is established. The Supplier acknowledges that safety is of paramount importance to the Company and that this right is reasonably necessary to ensure the safety of its operations and Supplier Personnel.

**15. GENERAL**

**15.1 Entire Contract**

The Contract constitutes the entire contract of supply and purchase of the Goods and/or Services and/or the hire of Rental Items and supersedes all previous arrangements, correspondence, tenders, representations, proposals, understandings and communications whether written or oral except to the extent otherwise provided in any Purchase Order.

**15.2 Governing Law**

The contract for the supply and purchase of the Goods and/or Services and/or the hire of Rental Items shall be deemed to have been made in South Australia and shall be subject to the laws of South Australia. The parties shall be subject to the exclusive jurisdiction of South Australia and any courts that may hear appeals from those courts in relation to any proceedings concerning this Contract.

**15.3 Confidentiality**

The Supplier must, and ensure that the Supplier Personnel, keep confidential, not disclose to any third party nor use, other than for the purposes of the of the supply of Goods and/or Services and/or Rental Items pursuant to this Contract, without the prior written consent of the Company, the terms of this Contract and any data or information obtained in the course of performance of the Supplier's obligations under this Contract or as a consequence of this Contract (except insofar as the same may be part of the public domain) and must take or cause to be taken such reasonable steps as may be necessary for the compliance with the above obligations, which will survive the expiration of this Contract and will be enforceable any time at law or equity. The Supplier must not issue any public statement concerning the Company or its affairs.

**15.4 Severability**

Any provision in these terms and conditions which is invalid or unenforceable in any jurisdiction is to be read down for the purposes of that jurisdiction, if possible so as to be valid and enforceable, and is otherwise capable of being severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of these terms and conditions or the validity or unenforceability of that provision in any other jurisdiction.

**15.5 Taxes**

- (a) Subject to clauses 15.5(b), the Supplier must pay all Taxes arising out of or in connection with this Contract and any transaction evidenced or contemplated by it, and indemnifies and holds harmless the Company against any Taxes payable by the Company arising out of or in connection with this Contract and any transaction evidenced or contemplated by it, that are discharged or otherwise satisfied by the Company.
- (b) The Supplier's liability to pay all Taxes under clause 15.5(a) does not include a liability to pay income tax of the Company.
- (c) The Supplier acknowledges and agrees that if the Company is required to withhold an amount of Tax from any amount payable to the Supplier, the Company will pay the Supplier the balance of the amount payable after deduction of the amount of the withholding tax.
- (d) [If, after the commencement of the Term, there is any abolition or reduction of any existing Taxes, duties or statutory charges (including by not limited to sales tax, fuel excise, stamp duty, financial institutions duty and debits tax) that applied at the time of commencement ("**Tax Reduction**"), the amounts otherwise payable by the Company under a Contract must be reduced so that the full benefit of any reduction in the Supplier's costs that relate to performing a Contract (including overheads and indirect costs) resulting directly or indirectly from the tax reduction is passed on to the Company.
- (e) The Company is entitled, at any time within 24 months of any Tax Reduction taking effect, to have an audit conducted in relation to any reduction in the Supplier's costs and any reduction in the amounts otherwise payable by the Company under a Contract, to verify that the full benefit of any reduction in the Supplier's costs has been passed on to the Company as required by clause 15.5(d). If it does:
- (i) the audit is to be conducted by an auditor or other expert ("auditor") agreed to by both parties, or in the absence of agreement either party may request that the auditor be appointed by the President or principal officer of the South Australian Division of the Institute of Chartered Accountants in Australia (or appropriate successor body);
- (ii) the auditor must be given access to all information the auditor considers relevant to the audit, but must not give to the Company any confidential information belonging to the Supplier;
- (iii) the auditor will act as expert and not as an arbitrator;
- (iv) the auditor's decision will be final and binding in the absence of manifest error;
- (v) if the auditor determines that the full benefit of any reduction in the Supplier's costs has not been passed on as required by clause 15.5(d), the auditor will determine what reductions are necessary to the amounts otherwise payable by the Company and what adjustments are necessary in relation to past payments; and
- (vi) if the auditor determines that the full benefit of any reduction in the Supplier's costs has not been passed on as required by clause 15.5(d), the auditor's costs must be met by the Supplier. Otherwise the auditor's costs must be met by the Company.

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15.6 Goods and Services Tax

- (a) Any reference in this clause 15.6 to a term defined or used in the GST Law is, unless the context indicates otherwise, a reference to that term as defined or used in the GST Law. In addition, in this clause 15.6, Supplier means the party that provides the supply to the recipient and includes the representative member of the GST group if the Supplier is a member of a GST group.
- (b) Any amount referred to in this Contract (other than an amount referred to in clause 15.6(f)) which is relevant in determining a payment to be made by one of the parties to the other is, unless indicated otherwise, a reference to that amount expressed on a GST exclusive basis.
- (c) Notwithstanding any other clause in this Contract, to the extent that GST is payable by the Supplier in respect of any taxable supply, or part that is made by the Supplier under or in connection with this Contract, the consideration to be provided under this Contract for that taxable supply or part thereof (unless it is expressly stated to include GST) is increased by an additional amount on account of GST equal to the consideration in respect of the taxable supply multiplied by the rate of goods and services tax.
- (d) The recipient must pay the additional amount on account of GST under clause 15.6(c) to the Supplier at the same time as the consideration for the taxable supply or part thereof to which it relates is otherwise required to be provided or otherwise on demand, provided that no such amount is payable unless the Supplier has first issued a tax invoice.
- (e) If the GST payable in relation to a taxable supply varies from the additional amount payable by the recipient under clause 15.6(d) such that a refund or credit of GST is obtained or a further amount of GST is payable, then the Supplier will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from the recipient and, as appropriate, the Supplier will issue an adjustment note where such variation arises as a result of an adjustment event.
- (f) If one of the parties to this Contract is entitled to be reimbursed or indemnified for a loss or other amount incurred in connection with this Contract, then the amount of the reimbursement or indemnity payment made to that party must be reduced by an amount equal to any input tax credit to which the party being reimbursed or indemnified (or its representative member) is entitled in relation to that loss or other amount.

15.7 Personal Property Securities Act 2009 (Cth) ("PPSA")

- (a) Any mobile plant and equipment, materials and general property owned by the Company and entrusted to the Supplier in connection with the Supplier's provision of Services is not intended to be bailed by the Company to the Supplier. However, if the PPSA treats any such arrangement as a bailment or PPS lease (as defined in the PPSA) the term of the arrangement will end on the earlier of the date the Services have been performed or the day immediately before the PPSA would otherwise apply to the arrangement as a PPS lease.
- (b) The Supplier acknowledges and agrees that it will not register any Security Interest in relation to this Contract against the Company on any register maintained under the PPSA.

15.8 Dispute Resolution

- (a) Any party claiming that a dispute has arisen under a Contract, including with respect to the validity, interpretation, performance, breach or termination of a Contract or in connection with the Goods or Rental Items supplied or the Services performed ("Dispute") may give notice to the other party identifying and providing details of the Dispute ("Dispute Notice").
- (b) Notwithstanding the existence of a Dispute, each party must continue to perform its obligations under the relevant Contract. The existence of a Dispute will not prejudice the Company's right to terminate a Contract in accordance with clause 13.
- (c) Within ten days of service of a Dispute Notice, a representative of the Supplier and a representative of the Company must meet and, in good faith, attempt to resolve the Dispute.
- (d) If the Dispute is not resolved within ten days of the meeting held pursuant to clause 15.8(c) or in any event, within 20 days of service of the Dispute Notice, senior management representatives of each party with authority to settle the Dispute must meet within a further ten days and, in good faith, attempt to resolve the Dispute.
- (e) If the Dispute is not resolved within ten days after the meeting held pursuant to clause 15.7(d) or in any event, within 30 days of service of the Dispute Notice, either party may commence legal proceedings or, if agreed in writing by the parties, commence alternative dispute resolution proceedings.
- (f) The provisions of this clause 15.7 survive expiration or termination of the relevant Contract.

15.9 Business Practices

- (a) The Supplier warrants that to the best of its knowledge, information or belief, neither it nor any director, officer, employee, adviser, agent nor any other person acting for or on behalf of the Supplier:
  - (i) has made or offered; or
  - (ii) will be made or offered; or
  - (iii) has caused or will cause any third party to make or offer,with respect to the matters which are the subject of a Contract, any payment, gift, promise or other advantage, whether directly or indirectly, including (without limitation) through affiliates or representatives (including representatives of the intended recipient), to or for the use of any person holding a legislative, administrative or judicial office (including any person exercising a public function for a public agency, a public enterprise or a public international organisation), where such payment, gift, promise or advantage would violate:
  - (i) the applicable laws of the country in which the activities under this Contract are taking place;
  - (ii) the laws of the country of incorporation of such party; or
  - (iii) the principles described in the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.
- (b) In performing its obligations under this Contract, the Supplier shall and shall ensure that each Supplier Personnel and its subcontractors shall:
  - (i) comply with all applicable regulatory requirements relating to modern slavery including but not limited to the *Modern Slavery Act 2018* (Cth) and, if applicable, *Modern Slavery Act 2018* (NSW);
  - (ii) not engage in any activity, practice or conduct that would constitute an offence under Division 270 or Division 271 of the Schedule to the *Criminal Code Act 1995* (Cth) if such activity, practice or conduct were carried out in Australia; and
  - (iii) take reasonable steps to ensure that there is no modern slavery or human trafficking in supply chains of each subcontractor or in any part of their business.
- (c) The Supplier warrants that to the best of its knowledge, information or belief neither the Supplier nor any Supplier Personnel or other persons associated with it:
  - (i) has been convicted of any offence involving modern slavery; and
  - (ii) having made reasonable enquiries, so far as it is aware, has been or is the subject of any investigation, inquiry or enforcement proceedings by any regulatory authority regarding any offence or alleged offence of or in connection with modern slavery.
- (d) The Supplier must implement due diligence procedures for its subcontractors and suppliers and other participants in its supply chains, to ensure that there is no modern slavery in its supply chains.
- (e) The Supplier must provide evidence as required by the Company to substantiate its compliance with the obligations in this clause 15.9.
- (f) The Supplier indemnifies and keeps indemnified the Company from and against any and all Claims arising from or related to any breach of the warranties contained in clauses 15.9(a) and 15.9(c) above. Such indemnity obligation will survive termination of this Contract.
- (g) The Supplier must promptly notify the Company if it becomes aware of, or has any specific suspicion of, a breach of this clause 15.9 or other corrupt or illegal behaviour in connection with this Contract.

15.10 Notices

Any notice given under a Contract must be given in writing and may be given to a person:

- (a) personally;
- (b) by leaving it at the person's address last notified;
- (c) by sending it by pre-paid mail to the person's address last notified (a notice sent by post will be taken to be given 6 business days after posting);
- (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified (a notice sent by facsimile is taken to be given on the business day after it is sent); or
- (e) by sending it by email to the person's email address last notified (a notice sent by email is taken to be given when it becomes capable of being retrieved by the addressee at the relevant email address).

15.11 Variations to these terms and conditions

The Company may vary these terms and conditions in respect of future Purchase Orders only, by giving notice or by publishing the revised terms and conditions on its website at least 7 days prior to the date of a Purchase Order. The Company may (but is not obliged to) notify the Supplier that it has done so.

15.12 Small Business Contracts

If this Contract is a Small Business Contract (as defined in in Schedule 2, Section 23 of the *Competition and Consumer Act 2010*) the Company will:

- (a) in the circumstances and to the extent practicable, provide a reasonable opportunity for the Supplier to remedy a default under clause 13.4;
- (b) act reasonably in exercising its rights under clause 8.5; and
- (c) reduce proportionately any obligation of the Supplier to indemnify the Company to the extent that the Company's breach or negligence contributed to the loss or damage.

16. DEFINITIONS

16.1 In these terms and conditions unless the context otherwise requires:

"Beach Company" means the Company and any of its Related Bodies Corporate;

"Claim" means any claim, action, proceeding, demand, cost, damage, loss, expense, liability or other outgoing howsoever incurred or suffered by, or brought or made or recovered howsoever arising (whether or not presently ascertained, immediate, future or contingent);

"Company" means Beach Energy Limited (ABN 20 007 617 969) or such subsidiary of Beach Energy Limited as nominated on the Purchase Order;

"Company Procedures" means each Company policy, procedure, code and directive that applies to this Contract as advised by the Company to the Supplier from time to time;

"Contract" is defined in clause 1.2;

"Coventurer" means any person while acting in its capacity as a participant or partner with a Beach Company in a joint venture, partnership, alliance or similar enterprise in relation to which the Goods and/or Rental Items are acquired or Services are being performed.

"Delivery" means the delivery of the Goods and/or Rental Items to the Delivery Location, or, if the Company specifies in the Purchase Order that it will arrange for the Goods and/or Rental Items to be collected from the Supplier, delivery will occur upon commencement of loading of the Goods and/or Rental Items onto the transport arranged by the Company;

"Delivery Date" means the delivery date or period for performance specified in the Purchase Order;

"Delivery Location" means:

- (a) in respect of any Service specified in a Purchase Order, the location for performance of those Services as specified in the Purchase Order; or
- (b) in respect of any Goods and/or Rental Items specified in a Purchase Order, the place for Delivery specified in the Purchase Order;

"Goods" means the goods specified in a Purchase Order;

"GST" means the goods and services tax imposed under the GST Law;

"GST Law" has the same meaning as in *A New Tax System ("Goods and Services Tax") Act 1999* (Cth);

"Incoterms 2020" means the publication called "Incoterms" published by the International Chamber of Commerce, 2020 Edition;

"Indemnified Parties" means the Company, its Related Bodies Corporate, the Coventurers, its and their officers, directors and employees;

"Intellectual Property Rights" means letters patent, a pending patent, trade marks, copyright, design, EL rights, confidential information or similar protection whether registered or unregistered and whether granted by the Commonwealth of Australia or any foreign state or the common law;

"Price" for the Goods, Rental Items and/or Services means the amount specified in the Purchase Order;

"Purchase Order" means the document issued by the Company to the Supplier to order the Goods, Rental Items and/or Services and includes any specifications, drawings or other documents that may be contained therein or annexed thereto;

"Related Bodies Corporate" has the meaning given to that term in the *Corporations Act 2001* (Cth);

"Rental Expiry Date" means the date on which the lease of the Rental Items expires as specified in the Purchase Order;

"Rental Items" means any item specified in the Purchase Order to be rented to the Company;

"Security Interest" means:

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- (a) a mortgage, pledge, lien, charge, assignment by way of security, hypothecation, secured interest, title retention arrangement, preferential right, trust arrangement or other arrangement (including any set-off or "flawed-asset" arrangement) having the same or equivalent commercial effect as a grant of security; or
- (b) an agreement to create or give an arrangement referred to in paragraph (a) above;

"**Services**" means the services specified in the Purchase Order;

"**Special Conditions**" is defined in clause 1.4;

"**Specification**" means the specification of the Goods, Rental Items and/or Services (if any) as set out in the Purchase Order;

"**Supplier**" means the Supplier identified in a Purchase Order;

"**Supplier Personnel**" means those persons who the Supplier uses to perform its obligations under this Contract, whether an employee, officer, director, agent or subcontractor;

"**tax invoice**" means a valid tax invoice that meets the requirements of the legislation and any regulations governing the GST and any relevant requirements of the Australian Taxation Office (or other relevant administering body or person);

"**Tax**" means all taxes, fees, levies, duties and charges imposed or assessed howsoever in respect of the Goods, Rental Items, and/or Services (including the supply or sale of the Goods, Rental Items and Services) by all local, state or national government authorities including sales tax (or equivalent), including withholding tax, but excludes taxes imposed on the income of the Supplier and GST; and

"**Term**" means the term specified in the Purchase Order for the supply of Goods and/or Rental Items and/or provision of Services.

18.2 Interpretation

In these terms and conditions unless the context otherwise requires:

- (a) the singular shall include the plural and vice versa;
- (b) words importing persons shall include corporations and words importing one gender includes the other genders;
- (c) the headings shall not affect the interpretation or construction of these terms and conditions;
- (d) reference to any statute shall mean that statute as amended, modified or replaced from time to time and includes orders, ordinances, regulations and rules and by-laws made in terms of or pursuant to the relevant legislation; and
- (e) reference to a party or parties includes a reference to its successors and permitted assigns in accordance with these terms and conditions; and
- (f) "including" means "including (without limitation)".