



**ELECTRANET TRANSMISSION SERVICES PTY LTD**

**CONDITIONS OF CONTRACT FOR  
MINOR GOODS AND SERVICES**

# CONDITIONS OF CONTRACT FOR MINOR GOOD AND SERVICES

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## 1. INTRODUCTION

### 1.1. General

1.1.1. These conditions do not apply to the supply of the Goods or the Services if they are goods or services in respect of which the Principal has issued a request for tender or if they are goods or services supplied pursuant to the terms of a contract formed between the Principal and the Supplier at some time prior to the issue of the purchase order, being a period contract under the terms of which the Principal may, from time to time during the period of the contract, purchase goods or services which are the same as or similar to the Goods or the Services. Otherwise, these Conditions do apply to the supply of the Goods and the Services.

1.1.2. These Conditions are the terms and conditions upon which the Principal:

1.1.2.1. contracts for the purchase of Goods; and

1.1.2.2. contracts for the supply of Services.

### 1.2. No Other Conditions

Where these Conditions apply to the supply of the Goods or the Services, no contrary or other terms and conditions proposed by the Supplier, whether in its quote, cartnotes, other documents or otherwise, will apply to the supply of the Goods or the Services unless expressly accepted in writing by the Principal.

### 1.3. Interpretation

In these Conditions, unless a contrary intention is apparent:

1.3.1. "the Purchase Order" means -

1.3.1.1. where these Conditions are printed on the reverse of a purchase order, that purchase order;

1.3.1.2. where these Conditions are printed on the reverse of a request for quote, any purchase order subsequently issued for supply of the goods or services that are the subject of the quote.

1.3.2. "these Conditions" means these Conditions for Supply of Goods and Services;

1.3.3. "Contract" means the contract between the Principal, the Supplier and the Principal's Guarantor constituted by the Purchase Order and these Conditions;

1.3.4. "the Principal's Guarantor" means ElectraNet Pty Limited ABN 33 094 051 886;

1.3.5. "the Principal" means ElectraNet Transmission Services Pty Ltd ABN 33 094 051 886;

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- 1.3.6. "the Principal's requirements" means those requirements of the Principal to be met by the supply of the Goods or the Services, as advised by the Principal to the Supplier prior to the date of the Purchase Order;
- 1.3.7. "the Goods" means the goods referred to on the front of the Purchase Order;
- 1.3.8. "Contract Material" means those documents and materials created or required to be created under the Contract and to be handed over to the Client;
- 1.3.9. "Intellectual Property Rights" means:
- 1.3.9.1. patents, trademarks, service marks, rights in designs, tradenames, copyrights and topography rights, in each case whether registered or not and any similar or like right including rights to trade secrets, know how, proprietary or confidential information;
  - 1.3.9.2. applications for registration of any of them;
  - 1.3.9.3. rights under licences and consents in relation to any of them; and
  - 1.3.9.4. all forms of protection of a similar nature or having equivalent or similar effect to any of them which may subsist anywhere in the world;
- 1.3.10. "on a FIS basis" means delivery to such location as the Principal nominates, in all respects at the cost of the Supplier;
- 1.3.11. "Liability" means all liabilities, damages, remedies, losses, penalties, fines, costs, expenses (including legal fees and expenses on a full indemnity basis), demands, claims and proceedings of any nature;
- 1.3.12. "Personnel" means any employee, agent or subcontractor;
- 1.3.13. "the Price" means the price the Principal agrees to pay for the Goods or Services (includes all taxes, duties, charges, levies and fees payable (except GST));
- 1.3.14. "the Services" means those services agreed to be supplied to the Principal by the Supplier and referred to on the front of the Purchase Order, and any other Services expressly or impliedly agreed to be supplied to the Principal by the Supplier;
- 1.3.15. "the Supplier" means the supplier referred to on the front of the Purchase Order;
- 1.3.16. "Transmission Lessor Corporation" means a statutory body established under the Public Corporations (Transmission Lessor Corporation) Regulations 1995 (SA);
- 1.3.17. references to natural persons include corporations and vice versa; and

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1.3.18. the plural includes the singular and vice versa.

### 2. CONDITIONS FOR SUPPLY OF GOODS TO THE PRINCIPAL

#### 2.1. Sale, Delivery and Installation

Unless otherwise agreed, the Supplier must:

- 2.1.1. sell the Goods to the Principal free of encumbrances,
- 2.1.2. deliver the Goods to the Principal on a FIS basis within such time as is agreed, or if no time is agreed, within a reasonable time from the date of the Purchase Order;
- 2.1.3. unload the Goods and where the Principal carries out that unloading, it is carried out on behalf of the Supplier and is at the Supplier's risk;
- 2.1.4. install the Goods, in all respects as directed by the Principal.
- 2.1.5. ensure that all powered plant and equipment is accompanied by a risk assessment.

#### 2.2. Testing, Acceptance and Rejection

- 2.2.1. The Principal may test the Goods as it sees fit:
  - 2.2.1.1. before delivery to the Principal, whether at the Supplier's premises or elsewhere; and
  - 2.2.1.2. after the Goods have been delivered and installed in accordance with the Contract.
- 2.2.2. the Principal must accept the Goods immediately that it is satisfied that the Goods comply with the Contract, are fully functional and meet the Principal's requirements; otherwise the Principal may reject the Goods by written notice to the Supplier. If it rejects the Goods, title to and risk in the Goods will revert to the Supplier and the Supplier must immediately remove the Goods from the Principal's premises.

#### 2.3. Price, Title and Risk

##### 2.3.1. Payment terms

If the Principal accepts the Goods the Principal will pay the price on a FIS basis for the Goods within thirty (30) days from the date the invoice is received.

##### 2.3.2. Title and Risk

Title to and risk in the Goods will pass to the Principal on acceptance.

#### 2.4. Warranties

The Supplier warrants that:

- 2.4.1. the Goods will:

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- 2.4.1.1. unless otherwise agreed with the Principal prior to the date of the Purchase Order, be new on delivery to the Principal;
  - 2.4.1.2. conform with any description applied to the Goods and any sample of them provided by the Supplier prior to the date of the Purchase Order;
  - 2.4.1.3. meet the Principal's requirements, and be fit for the purpose of those requirements;
  - 2.4.1.4. be free of any defects in materials, workmanship or installation;
  - 2.4.1.5. conform to any legally applicable standards, relevant legislation, appropriate Australian Standards and good electricity industry practice;
  - 2.4.1.6. be of merchantable quality; and
  - 2.4.1.7. have been manufactured or constructed in accordance with a Quality Assurance Programme approved by the Principal before issuing the Purchase Order;
  - 2.4.2. Services supplied in connection with the Goods will be provided with all due care and skill; and
  - 2.4.3. the Goods and any Services provided in connection with the Goods, do not and will not infringe the Intellectual Property Rights of any person.
- 2.5. Defects

Unless otherwise agreed in writing by the Principal, the Supplier must remedy any defect arising in the Goods for a period of twelve (12) months from the date on which the Goods are accepted, without charge to the Principal. The Supplier may repair or replace the Goods in order to comply with this requirement.

### 3. CONDITIONS FOR THE SUPPLY OF SERVICES TO THE PRINCIPAL

- 3.1. The Supplier must supply the Services in all respects in accordance with the Principal's requirements and subject to its directions from time to time.
- 3.2. All Services supplied must be in compliance with all relevant legislation, appropriate Australian Standards and good electricity industry practice.
- 3.3. If the Principal is satisfied the Supplier has provided the Services in accordance with the Contract, the Principal will pay the price for the Services within thirty (30) days from the date the Supplier's invoice is received.
- 3.4. On payment of the Supplier's invoice by the Principal, all Intellectual Property Rights in any Contract Material created under the Contract shall vest in the Principal. In the event that the Intellectual Property Right is not capable of being vested in the Principal because the Supplier does not own that Intellectual Property Right, the Supplier shall ensure the Principal is irrevocably licenced to use that Intellectual Property Right.

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- 3.5. The Supplier warrants that the Services will be supplied with all due care and skill and in such manner as meets the Principal's requirements and will not infringe the Intellectual Property Rights of any person.
- 3.6. If the Supplier breaches the warranty referred to in clause 3.4, the Principal may at its option and without prejudice to any of its other rights arising from that breach:
  - 3.6.1. require the Supplier to remedy the breach, including by re-supply of the Services; or
  - 3.6.2. terminate the Contract immediately by notice in writing.
- 3.7. The Supplier must complete provision of the Services by the date agreed with the Principal as the date for completion of the Services. If no date has been agreed, then the Supplier must complete provision of the Services within a reasonable time of the date of the Purchase Order.

### 4. GENERAL

#### 4.1. Price Variation

The Price will not be subject to variation unless it is stated to be so on the front of the Purchase Order, or on any quote in pursuance of which the Purchase Order is placed, and a variation formula is set out on the front of the Purchase Order or on the quote. If the Price is subject to variation, and the Supplier claims an amount is due by reason of an event contemplated by the variation formula, then the onus is on the Supplier to satisfy the Principal that its entitlement to rely on the variation formula has arisen. In particular, the Supplier must:

- 4.1.1. claim the amount of the variation as soon as practicable; and
- 4.1.2. provide all and any information required by the Principal to verify the Supplier's entitlement to the payment of any additional amount by reason of the variation.

#### 4.2. Inclusions

The Price includes all taxes, duties, charges, levies and like expenses payable (except GST). The Supplier must bear all customs and import duties (including anti dumping duties) levied.

#### 4.3. Customs Tariff Concessions

The Principal will make any applications for customs or import duty concessions that may be practicable. If it makes a successful application, and the price includes an amount for customs or import duty at a higher rate, then the Principal may deduct the difference from the amount payable to the Supplier under the Contract.

#### 4.4. Currency Variation : Australian Currency

If the Price is payable in Australian currency, but is subject to variation by reason of any change in the relative value of the Australian dollar and the currency of any other nation ("the foreign currency"), then when seeking payment of the

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Price, the Supplier must provide the Principal with evidence satisfactory to the Principal of:

4.4.1. the portion of the Price that is subject to variation, including all applicable customs documentation; and

4.4.2. any relevant payment by the Supplier in the foreign currency.

### 4.5. Foreign Currency

If the Price is payable in the currency of any nation other than Australia ("the foreign currency"), then:

4.5.1. the Principal will pay the Price in the foreign currency into the Supplier's nominated Bank account; and

4.5.2. the Supplier must provide such evidence relating to its obligation to pay for the Goods or the Services in the foreign currency as the Principal may require.

### 4.6. No Sub-contracting

The Supplier may not sub-contract the performance of any matter or thing required by the Contract without the prior written consent of the Principal.

### 4.7. Assignment

4.7.1. The Supplier must not directly or indirectly transfer or assign the Contract, or any part share or interest in it without the prior written approval of the Principal.

4.7.2. The Principal may at any time, without having to obtain the Supplier's consent, assign any or all of its right, title and interest as the Principal under the Contract to:

4.7.2.1. any related body corporate;

4.7.2.2. the Principal's Guarantor; or

4.7.2.3. a person nominated in writing by the Principal's Guarantor as replacement provider of asset management services to the Principal's Guarantor,

without cost or penalty provided that, in the case of an assignment to a person referred to in Clause 4.6A.2.1 or 4.6A.2.3, the liability of the Principal's Guarantor under this Contract continues unaffected by the assignment. The Supplier must execute any deed of assignment and assumption on such terms as the Principal may reasonably require to give effect to the assignment and the assumption of the obligations associated with the right, title and interest assigned.

4.7.3. The Principal's Guarantor may at any time without having to obtain the Supplier's consent assign any or all of its rights as the Principal's Guarantor under this Contract to Transmission Lessor Corporation, a successor or assignee to its electricity transmission and any aligned non-regulated business without cost or penalty. The Supplier must

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execute any deed of assignment and assumption on such terms as the Principal's Guarantor may reasonably require to give effect to the assignment and the assumption of the obligations associated with the right, title and interest assigned.

### 4.8. Confidentiality

The Supplier must keep confidential all information from or concerning the Principal or the Principal's Guarantor that it acquires as a result of any dealings with the Principal or the Principal's Guarantor, including as a result of the Contract. The Supplier's obligations under this clause will survive the expiry or termination of the Contract.

### 4.9. Occupational Health and Safety

4.9.1. The Supplier shall have in place and maintain, a safe system of work for the provision of the goods and services and have and maintain all certificates, licenses and approvals required by law, Australian Standards or Codes of Practice specified, under the Occupational, Health, Safety and Welfare Act.

4.9.2. The Supplier shall promptly report to the Principal, in writing, details of any accident that occurs to the Supplier or the Supplier's staff or the Principal's staff whilst the Supplier is performing the services at one of the Principal's sites.

### 4.10. Environmental Obligations

The Supplier must, in carrying out its obligations under the Contract, comply with all applicable environmental laws and perform its obligations in an environmentally sensitive manner that does not degrade the quality of the environment.

### 4.11. Governing Law

The law of South Australia applies to the Contract.

### 4.12. Breach

4.12.1. If the Supplier breaches the Contract, or if it advises the Principal that it is not or will not be able to perform all of its obligations under the Contract, then subject to any other provision of the Contract, and without limiting any other right or remedy the Principal may have arising from such breach or advice, the Principal may:

4.12.1.1. terminate the Contract by writing to the Supplier; or

4.12.1.2. acquire the Goods or Services (or the nearest reasonably available substitute for the Goods or Services) from a third party.

4.12.2. Any additional cost to the Principal of acquiring replacement Goods or Services from a third party will be an amount due by the Supplier to the Principal immediately on the Principal making demand for that amount.

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4.12.3. Subject to this clause 4.10, the Supplier must pay to the Principal the whole of any cost or expense, loss or damage suffered or incurred by the Principal as a result of the Supplier's breach.

### 4.13. Indemnities and Insurance

4.13.1. The Supplier indemnifies each of the Principal and the Principal's Guarantor from and against all Liabilities suffered or incurred by the Principal or the Principal's Guarantor (as the case may be) due to any loss of or damage to any real or personal property, or injury to or death of any person, or, to the extent permitted by law, under any occupational health and safety laws or environmental laws, or infringement of any Intellectual Property Rights that arise out of or as a consequence of:

4.13.1.1. any negligent act or omission or wilful misconduct of the Supplier, its employees, agents or sub-contractors;

4.13.1.2. any breach of the Contract (including any breach of warranty);  
or

4.13.1.3. any defect in the Goods or the Services.

4.13.2. Except in respect of injury to or death of any person (for which no limit applies), the aggregate liability of the Supplier to the Principal and the Principal's Guarantor under the indemnity in this clause 4.11.1 is limited to TEN MILLION DOLLARS (\$10 000 000.00) for each event.

4.13.3. The Supplier must effect and maintain insurance against the risks referred to in this clause 4.11 and provide evidence to the Principal of the currency of such insurance upon request by the Principal.

### 4.14. Dispute Resolution

If a dispute arises between any two or more parties, and the parties are unable to resolve that dispute, then before any party takes legal or arbitration proceedings in respect of the dispute (other than proceedings for urgent injunctive or like relief), officers of the parties in dispute must report the nature of the dispute to their respective Chief Executive Officers, and allow a period of fourteen (14) days for further negotiation before legal or arbitration proceedings are commenced.

### 4.15. Arbitration

Subject to clause 4.12, disputes that are not settled by the parties by negotiation must be referred to arbitration in accordance with the Commercial Arbitration Act 1986, provided that:

4.15.1. The Arbitrator shall be a person nominated by the President of the Institute of Arbitrators Australia (South Australian Chapter);

4.15.2. The parties may be legally represented; and

4.15.3. The place of arbitration shall be Adelaide, South Australia.

### 4.16. Vienna Convention

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Where the Supplier is incorporated outside the Commonwealth of Australia, the Principal acknowledges that subject to the Contract, the United Nations Convention on Contracts for the International Sale of Goods adopted at Vienna, Austria on 10 April 1980 applies.

### 4.17. Notices

4.17.1. Notices required or permitted to be given under the Contract must be sent in writing by ordinary prepaid post to the address of the intended recipient set out on the front of the Purchase Order.

4.17.2. Notices given in accordance with this clause will be deemed given when in the ordinary course of post such notice should have been delivered.

### 4.18. Goods and Services Tax

4.18.1. The Price (and any other amounts payable for services under the Contract) is fixed and exclusive of any goods and services tax (or other similar tax or impost) payable. The Principal must pay to the Supplier goods and services tax in addition to the Price in respect of the Contract.

4.18.2. The Supplier must be registered and must provide their Australian Business Number and tax invoices promptly in accordance with A New Tax System (Good and Services Tax) Act 1999.

## 5. THE PRINCIPAL'S GUARANTEE

5.1. The Principal's Guarantor guarantees to the Supplier:

5.1.1. the payment of all monetary liabilities of the Principal's to the Supplier;  
and

5.1.2. the performance of the Principal's obligations,

5.1.3. under this Contract

5.2. If any monetary liabilities of the Principal under this Contract are not paid by the Principal to the Supplier when due under this Contract, the Principal's Guarantor must, within 14 days after receipt of notification of such failure and demand for payment from the Supplier, pay such amount to the Supplier.

5.3. If the Principal fails to perform its obligations under the Contract when due, the Principal's Guarantor must, within 14 days after receipt of notification of such failure and demand from the Supplier, cause the Principal to perform such obligations.

5.4. The obligations of the Principal's Guarantor under this clause 5 are principal obligations and are not released, discharged or otherwise affected by anything which but for this provision would have that effect.

5.5. Supplier's Obligations

The Supplier acknowledges and agrees that:

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- 5.5.1. the Principal's Guarantor is the owner of an electricity transmission business, including certain aligned non-regulated businesses;
- 5.5.2. the Supplier is supplying the Services to the Principal in connection with the provision by the Principal of asset management services to the Principal's Guarantor for the purposes of the business described in clause 5.1.1;
- 5.5.3. non-performance or other breach by the Supplier of this Contract (including, without limitation, breach of warranty) may cause either or both of the Principal or the Principal's Guarantor to suffer or incur Liabilities; and
- 5.5.4. accordingly, unless specified to the contrary in this Contract:
  - 5.5.4.1. each of the Supplier's obligations under this Contract is a separate obligation to each of the Principal and the Principal's Guarantor; and
  - 5.5.4.2. each warranty by the Supplier is a warranty to each of the Principal and the Principal's Guarantor.