

STANDARD PURCHASE ORDER CONDITIONS

1. DEFINITIONS

In these Standard Purchase Order Conditions ("**Conditions**"), unless the context requires otherwise:

Company is GLNG Operations Pty Ltd and **Company Group** is Santos GLNG Pty Ltd, PAPL (Downstream) Pty Ltd, Total GLNG Australia and KGNLQ Liquefaction Pty Ltd and their Related Bodies Corporate (as defined by law).

Completion Date means the date and time stated in the Purchase Order as the 'Date Required' by which the Services are to be performed or, if no date is stated, a reasonably accepted industry practice time.

Contract is the Purchase Order, specifications referred to in the Purchase Order, these Conditions and the Sitework Conditions.

Delivery Date means the date and time stated in the Purchase Order as the 'Date Promised' by which the Goods or Rental Items are supplied or, if no date is stated, a reasonably accepted industry practice time.

Goods means the goods stated in the Purchase Order.

GST means the goods and services tax imposed under *A New Tax System (Goods & Services Tax) Act 1999*. Words defined in that Act have the same meaning in these Conditions.

Lease Expiry Date means the date of the lease of the Rental Items in the Purchase Order.

Price means the amount stated in the Purchase Order.

Purchase Order means the Company Purchase Order which describes the Goods, Services and/or Rental Items that Company requires.

Rental Items means any item stated in the Purchase Order.

Services means the services stated in the Purchase Order.

Site means the location nominated by Company as the shipping address for the Goods and/or Rental Items, and/or the location of the supply of the Services as stated in the Purchase Order.

Sitework Conditions means Company's sitework conditions, rules and policies for the Site.

Supplier means the Supplier stated in the Purchase Order.

2. FORMATION OF CONTRACT

2.1 A Contract is formed if Company provides a Purchase Order to the Supplier and the Supplier accepts it or commences performance of it.

2.2 The Contract consists of the Purchase Order, any specifications referred to in it, these Conditions and the Sitework Conditions. No terms or conditions sought to be imposed by the Supplier (eg terms in any Supplier tender, offer, counteroffer or proposal) will be incorporated, unless accepted in writing by Company.

3. SUPPLY

3.1 The Supplier will supply to Company the Goods or Rental Items by the Delivery Date and/or the Services by the Completion Date. The parties must comply with the terms of this Contract and the Sitework Conditions.

3.2 Goods and Rental Items must: comply with the specification or description in the Purchase Order; and be new and of recent origin (except for Rental Items), safe, free from defects and fit for purpose.

3.3 Services must: comply with the specification or description in the Purchase Order; and be performed safely, skillfully, diligently, on time and according to the agreed timetable, and by fully qualified, competent and suitable people.

3.4 All Supplier documents, drawings and reports will be accurate, comprehensive and complete.

4. PRICE AND PAYMENT

4.1 Unless otherwise expressly agreed, the Price is fixed, not subject to adjustment and includes all costs that may be incurred by the Supplier in performing its obligations, and it includes all excise, duties and taxes (excluding GST).

4.2 Company will pay the Price to the Supplier within 30 days of the end of the month in which a correct invoice is received unless otherwise specified on the Purchase Order.

4.3 If it is a Taxable Supply, Company will pay to the Supplier the GST in respect of it.

4.4 The Supplier must submit a valid tax invoice that includes: the Purchase Order number; the Goods, Rental Items and/or Services supplied to date; the Site and date of supply; if Services are charged by time, the time spent by the people; and any other details reasonably required by Company.

4.5 By submitting an invoice, the Supplier warrants that the Goods, Rental Items and/or Services have been supplied according to the Contract and the amounts in the invoice are true and correct.

4.6 Company may set off, from any monies due to the Supplier, any sum payable by the Supplier to Company.

5. DELIVERY

5.1 If stated in the Purchase Order, Company will arrange for the Goods and/or Rental Items to be collected from the Supplier. Delivery occurs when the Goods and/or Rental Items are loaded onto the transport.

5.2 If stated in the Purchase Order, the Supplier must, at its own cost and risk, deliver the Goods and/or Rental Items by the Delivery Date. Deliveries must be made at the time and at the Site specified in the Purchase Order. Time is of the essence and delivery is taken to occur upon completion of offloading by the Supplier.

5.3 The Supplier must, at its own cost, ensure the Goods and/or Rental Items are adequately packed. If the Goods and/or Rental Items are lost or damaged in transit, the Supplier will replace them at its cost.

5.4 The Supplier must provide sufficient documents to enable Company to identify the Goods and/or Rental Items being delivered including the quantity, Purchase Order number, description and a material safety data sheet as required by law.

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5.5 Title in the Goods passes to Company when delivery is completed according to this Contract or Company' payment for the Goods, whichever is earlier. Unless stated in the Purchase Order, risk in the Goods and/or Rental Items passes when they are delivered according to this Contract.

6. RENTAL CONDITIONS

6.1 The Supplier retains title to the Rental Items. The Supplier must allow Company to possess and enjoy the Rental Items during the term without any interruption.

6.2 Unless the Purchase Order states differently, at the end of this Contract, the Rental Items will, subject to fair wear and tear, be collected by the Supplier at its cost.

7. INSPECTION, TESTING AND DEFECTS

7.1 If the Goods and/or Rental Items fail to comply with this Contract, Company may (without prejudice to its rights) return them at the Supplier's expense and the Supplier will reimburse Company the Price plus any costs incurred by Company in returning them. If this occurs, risk will revert to the Supplier upon return and title upon reimbursement of the Price.

7.2 Satisfactory inspection and/or testing of the Goods and/or Rental Items does not relieve the Supplier of any of its obligations to perform the Contract.

7.3 The Supplier must ensure that all warranties applicable to the Goods are transferred to Company.

7.4 If in Company' reasonable opinion, the Services do not meet the requirements of this Contract, the Supplier must, on Company' request, promptly re- perform the deficient part of the Services at its cost. If the Supplier does not, Company may have it fixed by others and recover those costs from the Supplier.

8. SITE EXAMINATION AND INDUCTIONS

8.1 The Supplier is responsible for any costs or losses arising out of the Site characteristics and conditions.

8.2 The Supplier and its workers must:

- complete inductions required by Company prior to commencing performance of Services;
- comply with the Sitework Conditions including obtaining a "temporary pass" before entering the Site;
- use its best endeavours not to interfere with Company's activities on the Site; and
- ensure that it does not leave rubbish or debris on the Site.

9. INSURANCE

Unless stated in the Purchase Order, the Supplier must hold this insurance cover:

- physical loss or damage to the Goods or Rental Items;
- public liability insurance of not less than \$10 million;
- comprehensive motor vehicle insurance of not less than \$20 million;

- workers compensation insurance as required by law;
- professional indemnity insurance of not less than \$1 million if the performance of this contract requires the Supplier to provide professional advice; and
- any other insurance reasonably required by Company.

10. WARRANTIES

The Supplier warrants and represents to Company that:

- all information in brochures, quotes or tenders is accurate;
- it has unencumbered title to all Goods and Rental Items and use of them will not infringe the rights of any third party; and
- it holds and will maintain all licences, permits and authorities to perform the Contract.

11. INDEMNITY

11.1 The Supplier indemnifies Company, its workers and the Company Group against all claims, liabilities, loss, damage or penalties for any loss or damage to persons or property if caused or contributed to by the negligence, misconduct or breach of this Contract of or by the Supplier. This indemnity is reduced to extent that Company contributes to such loss or damage.

11.2 Each indemnity is a continuing obligation separate from the Supplier's other obligations and survives expiry or termination of the Contract.

12. INTELLECTUAL PROPERTY

Unless stated in the Purchase Order, all intellectual property produced under the Contract shall vest in Company upon creation. The Supplier must assign or transfer it to Company. Company grants the Supplier an irrevocable and royalty free licence to use it for this Contract. The Supplier grants to Company an irrevocable, perpetual, worldwide and royalty free licence to use any intellectual property not vested in Company that is necessary for Company to have the benefit of the supply provided under the Contract. The Supplier indemnifies Company against any claims made by third parties in respect of the use of intellectual property supplied under the Contract.

13. CONFIDENTIALITY

The parties must not disclose Confidential Information to any third party or use or reproduce it other than for the performance of the Contract. The parties must safeguard the Confidential Information. When the Contract ends, the parties must return the Confidential Information. In this clause **Confidential Information** means information belonging to one party which is disclosed to the other party in relation to this Contract and which was not already known by the other party or already in the public domain.

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14. HEALTH AND SAFETY

The Supplier must, in the performance of the Contract:

- (a) comply with all health and safety laws;
- (b) immediately notify Company of any incident that is notifiable under health and safety laws;
- (c) provide Company with a copy of its incident investigation report and evidence that it has revised risk control measures so as to maintain, so far as is reasonably practicable, a work environment that is without risks to health and safety;
- (d) allow Company to monitor the Supplier's systems, work practices and procedures.

15. REPORTING

The Supplier must provide Company, when requested, progress reports and/or a detailed program about the stages of performance of the supply, quarterly reports on the emissions of greenhouse gases and energy usage relating to the supply, and any information about the Supplier's workers relating to their health and safety.

16. TERMINATION

16.1 Company may terminate the Contract immediately by written notice if:

- (a) the Supplier is unable to pay its debts when they are due or the Supplier is involved in solvency/insolvency proceedings or processes;
- (b) the Supplier ceases to carry on business;
- (c) there is a change in control in relation to the Supplier;
- (d) the Supplier or its workers, in the reasonable opinion of Company, endanger health and safety; or
- (e) the Supplier or its workers breach the Sitework Conditions.

16.2 If a party breaches an essential term of the Contract, the other party may give notice requiring the breach to be remedied within 14 days. If it is not, the party giving the notice may terminate the Contract.

16.3 Company may terminate the Contract on 14 days' notice for any reason. If so, the Supplier must cease performing the Contract and minimise any arising loss. Company will pay the Price for work completed up to the date of termination. Company will not be liable for any other loss or damage.

16.4 Termination of the Contract does not affect accrued rights or remedies.

17. GENERAL

17.1 The Supplier is an independent contractor. This Contract does not create a joint venture, trust, employment, agency or partnership relationship. The Supplier does not have authority to contract with third parties on behalf of Company.

17.2 The Supplier must not subcontract, assign or novate any rights or obligations in the Contract.

17.3 Company may contract with another party for similar supplies and no exclusive relationship exists.

17.4 The Supplier must not make public announcements in relation to this Contract.

17.5 Any variation to the Contract must be agreed in writing by the parties.

17.6 The Supplier must not register any security interest in relation to this Purchase Order against Company.

17.7 The laws of South Australia apply and the courts there will be used.

17.8 Formal notices will be sent to the Supplier's address in the Purchase Order and to Company at 60 Flinders Street Adelaide, South Australia marked to the attention of the person named in the Purchase Order.

17.9 The Contract is the entire agreement between Company and the Supplier in relation to its subject matter.

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