

FARLEY RIGGS – EQUIPMENT HIRE AGREEMENT (DRY HIRE)
TERMS AND CONDITIONS

EQUIPMENT HIRE

1. Hire

- 1.1 FR agrees to hire the Equipment to the Hirer, and the Hirer agrees to hire the Equipment from FR, on the terms of the Agreement which is formed if the Hirer accepts the Quote (whether verbally or in writing (including by issuing a purchase order)) or if the Hirer otherwise gives FR instructions to supply the Equipment.
- 1.2 These Conditions:
- (a) together with the Quote are the sole terms of each Agreement;
 - (b) do not apply to a Quote to the extent they are inconsistent with the terms of the Quote; and
 - (c) prevail over any terms put out by the Hirer including in any purchase order of the Hirer unless FR expressly agrees otherwise in writing.
- 1.3 Except as required by the mandatory operation of law, all implied terms and conditions are excluded from the Agreement.
- 1.4 The Quote is valid for the period specified in the Quote unless withdrawn or varied by FR by notice prior to the forming of the Agreement. Where the Quote does not specify a validity period then the Quote will be valid for a period of 14 days from the date of the Quote.

2. Obligations

- 2.1 The Hirer may only use the Equipment for the Permitted Use.
- 2.2 When operating the Equipment, the Hirer will comply with:
- (a) all applicable laws and standards in relation to the Equipment;
 - (b) the Manufacturer's operating instructions; and
 - (c) FR's policies, procedures and guidelines in relation to the Equipment, as amended or replaced from time to time.
- 2.3 The Hirer must ensure that any of its officers, employees, agents and contractors who use or operate the Equipment:
- (a) comply with the obligations in clauses 2.2(a) to 2.2(c); and
 - (b) hold licences or approvals required to use or operate the Equipment including those specified in the Quote (if any).
- 2.4 At all times during the Term, the Hirer must:
- (a) retain possession of the Equipment;
 - (b) when not in use, store the Equipment in a safe condition;
 - (c) not grant any Security Interest or Encumbrance in the Equipment unless approved in writing by FR;
 - (d) ensure that the Equipment is secure from theft, damage, defacing and destruction; and
 - (e) use best endeavours to avoid exposure of the Equipment to conditions which could result in weather damage to the Equipment.
- 2.5 FR may inspect the Equipment at any time during the Term.
- 2.6 If the Agreement constitutes a PPS Lease, then the Hirer will do everything reasonably necessary (including signing any documents) to assist the perfection and registration of FR's Security Interest in the Equipment and any Proceeds as defined in the Act. To the extent permitted by the Act, the Hirer waives its rights to receive any notices under the Act including a verification statement under section 157 of the Act. The Hirer agrees to, immediately upon demand, reimburse FR's costs and expenses of securing and enforcing the Hirer's Security Interest in accordance with the Agreement and the Act
- 2.7 The Hirer must not apply any signage to any of the Equipment and the Hirer must not remove any of FR's existing or otherwise approved signage and branding from the Equipment.
- 2.8 The Hirer must keep FR aware of the location of the Equipment and evidence that the Equipment is being maintained in accordance with these Conditions. In order to comply with such obligation, the Hirer must promptly:
- (a) allow FR access to the Hirer's asset tracking system for the Equipment as and when reasonably required by FR; and
 - (b) provide FR with copies of asset certificate and service history reports for the Equipment as and when reasonably required by FR.

3. Term and Related Matters

- 3.1 The term of hire of each item of Equipment starts on the Commencement Date and ends on the Expiry Date (**Term**).
- 3.2 Where the Quote does not identify a Minimum Hire Period in respect of any or all of the Equipment:
- (a) FR may terminate the hire of such applicable Equipment on providing 30 days written notice to the Hirer at any time; and
 - (b) subject to compliance with the return obligations under clause 12, the Hirer may terminate the hire of such applicable

Equipment by returning the Equipment to a site nominated by FR in Adelaide, South Australia at any time during FR's ordinary business hours.

- 3.3 Where the Quote identifies a Minimum Hire Period in respect of any or all of the Equipment:
- (a) FR may terminate the hire of such applicable Equipment on providing 30 days written notice to the Hirer expiring at any time after the Minimum Hire Period; and
 - (b) subject to compliance with the return obligations under clause 12, the Hirer may terminate the hire of such applicable Equipment by returning the Equipment to a site nominated by FR in Adelaide, South Australia at any time after the Minimum Hire Period.
- 3.4 The Hirer may in writing request to bring forward the Commencement Date for any Equipment. FR may accept or reject such request in its absolute discretion.
- 3.5 If the Hirer requests to bring forward the Commencement Date for any Equipment on less than 10 Business Days written notice and FR accepts such request, FR may charge and the Hirer will pay a 'preparation rush fee' within 30 days of receiving a valid tax invoice an additional fee equal to 25% of any preparation fees specified in a Quote for such Equipment or as otherwise agreed.

4. Delivery

- 4.1 The parties acknowledge, unless expressly stated otherwise, fees specified in the Quote do not include the cost to ship and delivery the Equipment to the Site.
- 4.2 If requested by the Hirer and agreed by FR, FR will ship and deliver the Equipment to the Site using a transport service provider nominated by FR on the following basis:
- (a) FR will arrange for the Equipment to be collected from FR's premises located in Adelaide, South Australia on the Commencement Date;
 - (b) risk in the Equipment passes to the Hirer on and from the Commencement Date or any earlier date the Equipment is collected by the transport service provider; and
 - (c) the Hirer will pay to FR all reasonable costs of delivery incurred by FR (including but not limited to handling, provision of cranes, boxing and crating, slings and dogs, transportation, duties and levies, clearance, taxes, insurance or any other related expenses) plus an amount equal to 12% of the cost of delivery (or such other agreed amount), within 30 days of receiving a valid tax invoice for the same which tax invoice FR may issue at any time it determines.
- 4.3 If FR does not agree to ship and deliver the Equipment to the Hirer, the Hirer must organise to collect and ship the Equipment itself on the following basis:
- (a) FR will make the Equipment available to be collected from FR's premises located in Adelaide, South Australia on the Commencement Date; and
 - (b) risk in the Equipment passes to the Hirer on and from the Commencement Date or any earlier date the Equipment is collected by the Hirer or its nominated transport service provider.
- 4.4 Unless quoted otherwise, to the extent possible including where required in accordance with ordinary industry standards, the Equipment will be supplied with manufacturing certification and current NDT certificates and on the basis that:
- (a) any magnetic particle testing must have occurred within 5 years of the Commencement Date;
 - (b) Ultrasonic Wall Thickness Testing (**UWT**) will be conducted such that standard testing will be conducted on up to 4 axis and 3 points on a given item with only the lowest point being recorded and the exact UWT locations not being marked;
 - (c) pressure testing does not need to occur before a third party witness; and
 - (d) pressure testing will be carried out in accordance with FR's standard operating procedures.
- 4.5 Any request by the Hirer to a variation of the delivery obligations specified in clause 4.4 is subject to written approval of FR (in its absolute direction) and such approval may be subject to agreeing additional costs associated with such variations being paid by the Hirer within 30 days of receiving a valid tax invoice for the same which tax invoice FR may issue at any time it determines.

5. Availability

- 5.1 The parties acknowledge, the hire of an item of Equipment is subject to availability and in the event an item of Equipment becomes unavailable

at any time before the Commencement Date:

- (a) FR must provide the Hirer notice of such Equipment availability issue;
- (b) the parties agree to meet and discuss, in good faith, any variations to the Agreement to overcome the Equipment availability issue; and
- (c) FR will not be required to deliver such unavailable Equipment and will be released from all liability and obligations in respect of the supply of such Equipment.

FEES

6. Hire Fee

- 6.1 The Hirer shall pay FR the Hire Fee for the Equipment.
- 6.2 Unless agreed otherwise in writing, the parties agree the Hire Fee accrues:
 - (a) on and from the earlier of the agreed Commencement Date and the date the Equipment is collected from FR's premises in Adelaide, South Australia in accordance with clauses 4.2 or 4.3; and
 - (b) until the date that is the later of (i) the date the Equipment is returned in accordance with clause 12; (ii) if applicable, the date all amounts due and payable by the Hirer under clause 12 have been paid; and (iii) if applicable, any replacement equipment purchased in accordance with clauses 11, 12 or 14 has been delivered to FR and commissioned but where FR elects not to replace such Equipment, the date the Manufacturer estimates it will be able to replace and commission such replacement equipment.
- 6.3 The Hirer must pay FR the Hire Fee within 30 days of receipt of a valid tax invoice.
- 6.4 FR may invoice the Hirer for the Hire Fee in advance and on a periodic basis during the Term.
- 6.5 The Hire Fee will be paid into a bank account nominated by FR on the tax invoice.
- 6.6 The parties acknowledge and agree that the Hire Fee identified in the Quote has been discounted by an amount equal to 10% on the basis that such Hire Fee is received in full and on time as required by these Conditions. To the extent that an invoice for any part of such relevant Hire Fee is not received in full and on time as required by these Conditions and is not subject to a bona fide dispute as to whether such amount is due and payable, the relevant discount will not be deemed to have been offered in respect of the total value of the invoice that is overdue and such non discounted Hire Fee will be immediately due and payable by the Hirer and for avoidance of doubt FR may issue a further invoice in respect of the additional amount which is immediately due and payable.

7. Stacking

- 7.1 If the Quote identifies a Stacked Rate, the Hirer may request to commence a Stack Period in respect of all or some of the Equipment upon providing 14 days written notice to FR at any time after the Commencement Date.
- 7.2 During a Stack Period:
 - (a) the Stacked Rate will apply in respect of the applicable Equipment in lieu of the Hire Fee;
 - (b) the Stacked Rate is due and payable on the same terms as the Hire Fee;
 - (c) the Equipment cannot be used; and
 - (d) the Equipment must be rigged out and safely stored at the Site.
- 7.3 The Hirer may end a Stacked Period in respect of all or some of the Equipment by providing written notice to FR upon which the Hire Fee will then apply and the limitations specified in clause 7.2 will not apply.
- 7.4 A Stacked Period in respect of any particular Equipment may not exceed any maximum period of time identified in a Quote (if any).
- 7.5 If the Quote identifies a Minimum Hire Period in respect of any particular Equipment the subject of a Stacked Period, the Stacked Period will not be deemed to apply to completion of the Minimum Hire Period.

8. Bond

- 8.1 If requested, the Hirer must pay the Bond to FR before the Commencement Date as a condition of taking possession of the Equipment.
- 8.2 FR may use the Bond to satisfy the Hirer's obligations under or in connection with the Agreement.
- 8.3 No interest is payable on the Bond.
- 8.4 The Bond will be repaid to the Hirer (less any deductions made by FR under clause 8.2) within 14 days of the Hirer returning the Equipment in accordance with these Conditions.

MAINTENANCE AND RETURN

9. Maintenance and Repair

- 9.1 The Hirer must (at its own cost and expense) ensure that the Equipment is kept in the same condition as it was on the Commencement Date (excluding fair wear and tear).
- 9.2 The Hirer will, at its own cost, ensure that the Equipment is repaired and maintained in accordance with the Manufacturer's instructions.
- 9.3 If the Equipment is damaged, the Hirer must:
 - (a) promptly notify FR and provide written details of the damage to the Equipment and the circumstances giving rise to the damage;
 - (b) comply with FR's directions as regards the repair of the Equipment; and
 - (c) promptly pay the reasonable and substantiated costs and expenses incurred in repairing the Equipment.
- 9.4 Any parts and Consumables provided by the Hirer in complying with clauses 9.1 to 9.3 vest in FR when applied to the Equipment.
- 9.5 All maintenance and repair works carried out on the Equipment must be carried out by a qualified repairer approved in writing by FR and all parts used must be manufactured by the Manufacturer unless firstly approved otherwise in writing by FR.

10. Modifications

- 10.1 The Hirer will not alter, modify or make any additions or improvements to the Equipment (**Modifications**) without FR's prior written consent.
- 10.2 Ownership of all Modifications vests in FR when they are made.

11. Damage and Loss

- 11.1 If the Equipment is damaged, lost, stolen or requires repairs or otherwise subject to a Damaging Event, the Hirer must:
 - (a) promptly notify FR and provide details of the damage, loss, theft or required repairs and the circumstances giving rise to the same; and
 - (b) comply with FR's directions.
- 11.2 Where the Equipment is damaged or otherwise requires repairs or recovery and the cost of doing the same does not exceed the replacement cost of the Equipment, the Hirer must promptly repair and recover the Equipment at the Hirer's cost and expense.
- 11.3 Where an Equipment is destroyed or lost (including lost down well), or damaged or otherwise requires repairs or recovery and the cost of repairing and recovering the same exceeds the replacement cost of the Equipment, then:
 - (a) the Hirer must pay to FR on demand the full replacement cost of such Equipment at the Manufacturer's current list price plus any shipping costs to FR's premises in Adelaide, South Australia and any associated commissioning costs plus an amount equal to 12% of such costs (or such other agreed amount), within 30 days of receiving a valid tax invoice for the same which tax invoice FR may issue at any time it determines;
 - (b) FR has no obligation to repair or replace such Equipment; and
 - (c) the Agreement will immediately terminate in respect of such Equipment upon such Equipment being destroyed or lost or the parties otherwise agreeing the cost of repairing the Equipment exceeds the replacement cost except the Hire Fee will continue to accrue on and from such date until the later of (i) the date being the date the Minimum Hire Period for such Equipment expires; and (ii) the date the replacement equipment is received by FR and commissioned but where FR does not elect to replace such Equipment, the date estimated by the Manufacturer to replace and commission such replacement equipment, which the Hirer must pay within 30 days of receiving a valid tax invoice for the same which tax invoice FR may issue at any time it determines.

12. Return of Equipment

- 12.1 The Hirer must (at its own cost and expense), return the Equipment to a site nominated by FR in Adelaide, South Australia in a clean and tidy state in accordance with industry standards and free from damage or defect on or before the expiry of the Term or the earlier termination of the Agreement in respect of such Equipment, with:
 - (a) to the extent applicable, tyres of a similar standard to those installed on the Commencement Date; and
 - (b) to the extent applicable, fuel levels in the same or at least equal to that when the Equipment was hired to the Hirer on the Commencement Date.
- 12.2 Within 14 days after the Equipment is returned to FR, FR will inspect the Equipment, whether by NDT or otherwise, to confirm the Hirer's compliance with the Agreement including but not limited to clause 12.1. Without limiting clause 14, if, during such inspection, FR discovers any damage or defect or Damaging Event which is not caused by FR after the date the Equipment is returned or then upon receipt of a tax invoice

from FR, the Hirer must pay to FR within 30 days of receipt of such invoice:

- (a) FR's cost of inspecting, repairing, cleaning and carrying out associated work to the Equipment at a rate of \$160.00 per hour; plus
- (b) (i) the costs of rectifying such defect or damage including the cost of any parts and related shipping costs plus an amount equal to 12% of such rectification costs (or such other agreed amount); or (ii) where the cost of repairing the same exceeds the replacement cost of the Equipment, the full replacement cost of such Equipment at the Manufacturer's current list price plus any shipping costs to FR's premises in Adelaide, South Australia and any associated commissioning costs plus an amount equal to 12% of such cost (or such other agreed amount); plus
- (c) the Hire Fee which will continue to accrue on and from such date of return until the date (i) if applicable, the damage or defect or Damaging Event is remedied; or (ii) if applicable, the date the replacement equipment is received by FR and commissioned but where FR does not elect to replace such Equipment, the date estimated by the Manufacturer to replace and commission such replacement equipment.

12.3 FR may direct the Hirer to remove any Modifications including signs installed by the Hirer at its own cost when returning the Equipment to FR and make good any damage caused to the Equipment as a result.

13. Consumables

- 13.1 From time to time, the Hirer may request to purchase Consumables from FR which FR may, but is not obliged to, accept such a request in its absolute discretion on terms determined by FR.
- 13.2 Risk in the Consumables passes to the Hirer on the Hirer taking possession of the Consumables, and without limiting clause 9.4, title to the Consumables passes to the Hirer on paying FR for the Consumables.
- 13.3 The Consumables are supplied on an 'as is, where is' basis and the Hirer releases FR from all and any Claims in respect of the Consumables.

14. Usable Life

- 14.1 Unless otherwise specified in the Quote, the parties acknowledge and agree that the usable life of the Equipment (having regard to fair wear and tear) is 30 years on and from the Commencement Date excluding any Stacked Period (**Expected Usable Life**).
- 14.2 If, between the Commencement Date and the end of the Term or otherwise (including upon return of Equipment), FR or the Hirer inspects the Equipment, whether by NDT or otherwise, and it is confirmed that, in the reasonable opinion of FR, any of the Equipment is worn or damaged beyond what would reasonably be expected at that point in the Equipment's usable life compared to the Expected Usable Life, the Hirer must at its cost:
 - (a) where possible to do so in the reasonable opinion of the parties, promptly reinstate the relevant Equipment such that the usable life is brought back into line with the reasonably Expected Usable Life;
 - (b) where not possible to reinstate the Equipment in accordance with clause 14.2(a) in the reasonable opinion of FR, where the Equipment has a remaining Usable Life which exceeds the Term, pay at the end of the hire of that Equipment the loss in value of the Equipment caused by the difference in the reduced Expected Usable Life at that time and the usable life of the Equipment which would otherwise have been expected at that time, based upon the price for the relevant Equipment referred to in clause 14.3; or
 - (c) where there is not a remaining usable life which exceeds the Term, pay on demand, the loss in value of the Equipment caused by the difference in the reduced Expected Usable Life at that time and the usable life of the Equipment which would otherwise have been expected at that time, based upon the price for the relevant Equipment referred to in clause 14.3. Nothing in this clause requires FR to replace such Equipment; and
 - (d) where the hire of such Equipment has come to an end, pay the Hire Fee within 30 days of receiving a valid tax invoice for the same which tax invoice FR may issue at any time it determines, until the later of (i) any Minimum Hire Period; and (ii) the date the Equipment is replaced and commissioned, but if FR elects not to replace the Equipment, the date estimated by the Manufacturer to replace and commission such replacement equipment.
- 14.3 The price for the relevant Equipment payable by the Hirer for the purposes of clause 14.2 will be the cost to replace the relevant

Equipment with a new piece of Equipment plus any commissioning and associated costs plus any freight and delivery costs associated with delivery of the Equipment to the Hirer plus an amount equal to 12% of such costs (or such other agreed amount) less an allowance for depreciation equal to one percent (1%) per month of the value of the cost to replace the relevant Equipment starting from the Commencement Date (excluding any Stacked Period) capped at sixty percent (60%) of the replacement value for the relevant Equipment.

WARRANTIES, RISK AND INSURANCE

15. As is Basis

- 15.1 The Equipment is hired to the Hirer on an "as is" basis being the condition of the Equipment as at the Commencement Date but on the basis the Equipment has a useable life determined in accordance with clause 14.
- 15.2 To the extent permitted by law, any implied terms, representations or warranties as to the fitness, quality or condition of the Equipment are excluded.

16. Representations and Warranties

- 16.1 The Hirer warrants and represents to FR that the Hirer has full legal capacity and power to enter into and perform its obligations under the Agreement.
- 16.2 If the Hirer is trustee of a trust, it:
 - (a) enters into the Agreement as trustee of the trust and in its personal capacity; and
 - (b) represents and warrants to FR that it has an unrestricted right of indemnity out of the trust fund.
- 16.3 FR has not made any warranty or representation as to the (i) suitability of the Equipment for any particular purpose; or (ii) likely commercial return the Hirer may make from entering into the Agreement and from using the Equipment including but not limited to financial savings or increased revenue and/or profit.

17. Insurance and Liability

- 17.1 The Hirer releases FR from all Claims in connection with the hire of the Equipment, including in connection with its use.
- 17.2 The Hirer will indemnify FR from all Claims in connection with its use of the Equipment, the Hirer's acts or omissions (whether negligent or otherwise) including those of the Hirer's officers, employees, agents and contractors and any breach of the Agreement by the Hirer.
- 17.3 The Hirer will, on demand, pay the Deductible if an insurable event occurs in relation to the Equipment.
- 17.4 The Hirer will not do, or fail to do, anything which could:
 - (a) prejudice FR's insurance in respect of the Equipment;
 - (b) cause the premiums for such insurance to be increased;
 - (c) lead to the cancellation or refusal of insurance for the Equipment.
- 17.5 At all times during the Term, the Hirer must hold:
 - (a) public liability insurance for an amount of not less than \$20,000,000 covering its liability for personal injury or death caused in connection with the Equipment; and
 - (b) full comprehensive insurance in respect of the Equipment it hires under the Agreement which provides coverage for the Hirer's use of the Equipment in accordance with the Agreement and for the loss of or damage to the same and have the Owner's interest noted on that insurance policy.
- 17.6 The Hirer must promptly enforce any insurance policy in respect of loss or damage of the Equipment and must promptly pay to FR all proceeds received by the Hirer under that policy. The Hirer grants FR a Security Interest in respect of such insurance proceeds as security for performance of the Hirer's obligations under the Agreement.
- 17.7 The Hirer must provide written evidence of its compliance with clause 17.5 on demand by FR.

TERMINATION

18. Event of Default

- 18.1 FR may terminate the Agreement immediately by written notice to the Hirer if:
 - (a) any amount payable by the Hirer under the Agreement is not paid when due;
 - (b) the Hirer breaches any provision of the Agreement (except in relation to payment of an amount, these being covered by clause 18.1(a)) and does not remedy that breach within 7 days; or
 - (c) an Insolvency Event occurs in relation to the Hirer.
- 18.2 In the event an external administrator, controller, receiver or similar official (**External Party**) is appointed to the Hirer, FR may write to such External Party seeking written confirmation about whether and how the Hirer will be able to and intends to continue to satisfy its obligations under the Agreement. Where the External Party fails to satisfactorily

respond within 5 days of request, FR may immediately terminate the Agreement.

19. Consequences of Termination

19.1 On the termination of the Agreement:

- (a) the Hirer must, at its own cost, return the Equipment to FR in accordance with clause 12;
- (b) the Hirer will pay, as liquidated damages and not as a penalty, an amount equal to the Hire Fee that would have been payable until the later of (i) the Minimum Hire Period (if applicable); and (ii) any replacement equipment purchased in accordance with clauses 11, 12 or 14 has been delivered to FR and commissioned but where FR elects not to replace such Equipment, the date the Manufacturer estimates it will be able to replace and commission such replacement equipment;
- (c) the rights and the obligations of the parties under the Agreement will terminate other than any provision which by its nature should survive the expiry or termination continues to apply and bind the parties; and
- (d) any accrued rights and remedies to which a party to the Agreement may be entitled or be subject before its termination or which arise from the event of termination will remain in effect.

GENERAL

20. Invoices

20.1 If the Hirer disputes the validity or accuracy of an invoice issued by FR under the Agreement, it is the obligation of the Hirer to notify FR in writing within 7 days of the invoice being issued to the Hirer. If the Hirer fails to dispute such invoice in accordance with this clause 20.1, such invoice will be deemed to be valid and acceptable to the Hirer and due and payable in accordance with these Conditions.

21. Interest

21.1 If any amount due and payable by the Hirer under the Agreement is overdue (whether demanded or not), FR may charge the Hirer interest at the Australian and New Zealand Banking Corporation Limited's Business Variable Reference Rate plus 2% from the date of default until FR receives payment in full.

22. Entire Agreement

22.1 The Agreement represents the parties' entire agreement, and supersedes all prior representations, communications, contracts, statements and understandings, whether oral or in writing, relating to its subject matter.

23. No Waiver

23.1 A party waives a right under the Agreement only by written notice that it waives that right.

24. Assignment

24.1 The Hirer must not, without the prior written consent of FR assign or transfer any right or obligation under the Agreement.

25. Notice

25.1 For the purpose of this clause 25.1, notice includes any consent or approval which may be given under the Agreement. Notice can only be in writing by the party or its agent. Notice can only be given to a party:

- (a) personally;
- (b) by registered post to the recipient's last known place of business (notice by post is deemed to be received at the time at which the letter would be delivered in the ordinary course of post); or
- (c) by email (notice by email is deemed to be received if the sender does not receive either an electronic delivery notification error or delivery delay notice within 24 hours of sending the email).

26. Amendment

26.1 The Agreement can only be amended by written agreement of the parties.

27. Governing Law and Jurisdiction

27.1 The Agreement is governed by the laws of South Australia. The parties submit to the exclusive jurisdiction of the courts of South Australia and the Federal Court of Australia (Adelaide Registry) in respect of any matter connected with the Agreement.

28. Counterparts

28.1 These Conditions may be executed in counterparts (including by PDF emailed copies) and all such counterparts together are deemed to constitute an original of these Conditions.

29. Payments

29.1 All payments to be made under the Agreement must be made in immediately available Australian dollars and without any deduction, withholding or set-off.

30. GST

30.1 Unless expressly stated otherwise in the Quote or these Conditions, amounts payable are expressed as exclusive of GST.

30.2 If applicable, the Hirer must pay GST on an invoice as and when required to pay the invoice.

31. Costs

31.1 A party must pay its own costs of negotiation, preparation and execution of the Agreement.

31.2 A party must pay its own costs and expenses in performing any obligation under the Agreement unless the agreement expressly provides otherwise.

UNDERSTANDING THESE CONDITIONS

32. Meanings

32.1 In these Conditions:

- (a) **Act** means the *Personal Property Securities Act, 2009 (Cth)* as amended or replaced from time to time.
- (b) **Agreement** means, subject to clause 1, an agreement for the hiring of Equipment between FR and the Hirer.
- (c) **Bond** means the amount specified in the Quote (if any).
- (d) **Business Day** means a day which is not a Saturday, Sunday or public holiday in the City of Adelaide, South Australia.
- (e) **Commencement Date** means the date specified in the Quote.
- (f) **Conditions** means this document.
- (g) **Consumables** means single use items to be used, applied or installed on the Equipment including but not limited to seals, gaskets, filters and other consumables such as those used in the testing of Equipment.
- (h) **Claims** means any costs, expenses, losses, damages and liabilities (including legal costs on a full indemnity basis) suffered or incurred by, and all actions, proceedings, demands and claims brought, made or recovered by any person against, FR whether in contract, tort (including, without limitation, negligence) or otherwise.
- (i) **Damaging Event** includes, without limitation, conditions that are patent and obvious, physical damage, latent damage, damage caused by careless handling or packing and other conditions generally accepted as such in the oilfield industry including excessive wear, tear or damage, exposure to H₂S, exposure to CO₂, exposure to abrasive or corrosive wellbore fluids, exposure to corrosive drilling muds or any acids or alkalis, damage from excessive temperature or pressure exposure or any caking with cement or other drilling or wellbore fluids.
- (j) **Deductible** means the amount specified in the Quote (if applicable) or as notified by FR in writing from time to time.
- (k) **Encumbrance** means any encumbrance or security interest and includes any legal or equitable mortgage, charge (fixed or floating), pledge, lien, title retention or conditional sales agreement, option or restriction about transfer, use or possession.
- (l) **Equipment** means the equipment specified in the Quote and otherwise as identified and bearing serial numbers as identified in the Shipping Documents.
- (m) **Expiry Date** means the date specified in the Quote.
- (n) **FR** means one of the following entities as specified in the Quote:
 - (i) The Supply Group Australia Pty Ltd (ACN 616 197 847) trading as Farley Riggs; or
 - (ii) The Supply Group Australia #2 Pty Ltd (ACN 645 976 889) trading as Farley Riggs SPV.
- (o) **GST** means any tax imposed on the supply of goods or services which is imposed or assessed under *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* (as amended).
- (p) **Hire Fee** means the amount specified in the Quote.
- (q) **Hirer** means the person/entity specified in the Quote.
- (r) **Insolvency Event** means a party:
 - (i) becomes or passes a resolution to become an **Chapter 5 body corporate**;
 - (ii) cannot pay its debts as and when they fall due or becomes an **insolvent under administration**;
 - (iii) has proceedings brought against it under any bankruptcy or insolvency law and such proceedings are not discharged or stayed within 30 days; and/or
 - (iv) becomes subject to the appointment of an administrator, provisional liquidator, trustee in bankruptcy or has a **controller** appointed in respect of any property,(each bold term in this definition has the meaning given in

section 9 of the Corporations Act 2001 (Cth).

- (s) **Manufacturer** means the manufacturer of the Equipment and includes any component of the Equipment.
- (t) **Minimum Hire Period** means any minimum period of time in which Equipment must be hired by the Hirer as specified in the Quote (if any).
- (u) **Modifications** is defined in clause 10.1.
- (v) **NDT** means non-destructive testing as that term is understood within the resource industry and includes but is not limited to visual, no-go gauging, ultrasonic, magnetic particle and pressure testing.
- (w) **Permitted Use** means the permitted use specified in the Quote, but if not so specified, for such use the Equipment was originally designed and manufactured to be used for.
- (x) **Pick-Up Site** means FR's then current premises or such other location in Australia nominated by FR.
- (y) **PPS Lease** has the same meaning as in the Act.
- (z) **Quote** means a written quote or offer issued by FR to the Hirer in respect of the hiring of Equipment.
- (aa) **Security Interest** has the same meaning as in the Act.
- (bb) **Site** means any location/s specified in the Quote and such other locations agreed in writing between the parties from time to time.
- (cc) **Shipping Documents** means those documents delivered with the Equipment (if any).
- (dd) **Stacked Period** means such period of time where the Equipment is not being used subject to the terms of these Conditions.
- (ee) **Stacked Rates** means any rates specified in a Quote applicable during any Stacked Period.
- (ff) **Term** is defined in clause 3.1.

33. Interpretation

33.1 In these Conditions:

- (a) the singular includes the plural and vice versa;
- (b) a party includes a party's successors, executors, administrators and permitted assigns; and
- (c) legislation or reference to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.