

Note: Italic type words and phrases used these *General Conditions* are defined in Clause 19

## 1. SUBCONTRACTOR'S OBLIGATIONS

- 1.1. The *Subcontractor* must carry out and complete the *Works* described in the *Purchase Order*:
  - (a) in a proper and tradespersonlike manner;
  - (b) in an appropriate and skilful way;
  - (c) with reasonable care and skill;
  - (d) with reasonable diligence;
  - (e) in accordance with any plans, specifications and other documents listed in the *Purchase Order*; and
  - (f) in accordance with all relevant laws and legal requirements;
  - (g) by the *Completion Date* or otherwise as directed by the *Builder* to ensure that the *Builder* is able to comply with the terms of the *Head Contract*; and
  - (h) to the reasonable satisfaction of the *Builder*.
- 1.2. Unless otherwise agreed, the *Subcontractor* must supply everything necessary to carry out the *Works*.
- 1.3. The *Subcontractor* will complete the *Works* by the *Completion Date* for the *Price* and as directed by the *Builder* to ensure the *Builder* is able to comply with the terms of the *Head Contract*.
- 1.4. The *Subcontractor* warrants that:
  - (a) materials supplied by the *Subcontractor* for use in the *Works* will be safe, good and suitable for the purpose for which they are used (having regard to generally accepted practices or standards in the industry for the materials, and or any specifications, instructions or recommendations of manufacturers or suppliers of the materials), and, unless otherwise stated in this *Subcontract*, will be new;
  - (b) if the *Works* consist of the construction of a dwelling, the making of alterations or additions to a dwelling or the repair, renovation, decoration or protective treatment of a dwelling, the work will result, to the extent of the work conducted, in a dwelling that is reasonably fit for occupation as a dwelling;
  - (c) it is appropriately licensed and resourced to be able to perform the *Works*; and
  - (d) that the *Works* will be performed in accordance with any warranty implied by any statute in the jurisdiction in which the *Works* are being performed.

## 2. COMMENCEMENT AND COMPLETION

- 2.1. The *Subcontractor* must commence the *Works* by the *Commencement Date*.
- 2.2. The *Subcontractor* and *Builder* acknowledge that the *Commencement Date* is subject to the access to the *Site* being made available under the *Head Contract*.
- 2.3. The *Subcontractor* may request that the *Commencement Date* be revised and the *Builder* may provide the *Subcontractor* with a revised *Commencement Date*.
- 2.4. The *Subcontractor* may request a reasonable extension to the *Completion Date* in respect of any delay not caused or contributed to by any default of or failure by the *Subcontractor*. The *Builder* may extend the time for *Completion* from time to time at its sole discretion.
- 2.5. If the *Subcontractor* fails to bring the *Works* to *Completion* by the *Completion Date*, the *Builder* is entitled to set off any resultant damages from any payment due to the *Subcontractor* under this *Subcontract*.

## 3. INSURANCE

- 3.1. The *Subcontractor* must effect and maintain the following insurance cover during the currency of this *Subcontract*:
  - (a) WorkCover or any other insurance required by law;
  - (b) Public and Product Liability insurance in respect of third party injury or property damage to an amount not less than \$5,000,000 for any one occurrence, including Principal's Indemnity provisions in favour of this *Builder*;
  - (c) Personal Accident and Disability insurance for all on-site company directors or partnerships and their workers, which provides benefit levels agreed by the *Builder*.
- 3.2. The *Subcontractor* must satisfy the *Builder* as to the sufficiency and currency of all insurance coverage on request from the *Builder*.

## 4. PURCHASE ORDER AND PAYMENT

- 4.1. The *Purchase Order* contains information specific to this *Subcontract*, including:
  - (a) *Purchase Order* number;
  - (b) *Site* information;
  - (c) anticipated *Commencement Date*;
  - (d) anticipated *Completion Date*;
  - (e) *Price*;
  - (f) *Material Deposit*;
  - (g) *Works*;
  - (h) *Special Conditions*.
- 4.2. The *Subcontractor* will submit its *Progress Claims* for the *Price* to the *Builder* at the times set out in the *Purchase Order*, or if no time is specified in the *Purchase Order*, when the *Works* reach *Completion*.
- 4.3. A *Progress Claim* must contain:

- (a) details of the work and the value of that work (at the *Agreed Rates*, if any) carried out by the *Subcontractor* up to and including the date the *Subcontractor* submits its claim;
- (b) such other information as may be required under the *SOPA*; and
- (c) such other information as the *Builder* may reasonably require, including if requested by the *Builder*, a signed statutory declaration that all subcontractors, contractors and employees of the *Subcontractor* have been paid all amounts due in respect of the *Works* to the date of the *Progress Claim*.

- 4.4. On receipt of a *Progress Claim* the *Builder* must, subject to this *Subcontract* and any requirements under the *SOPA*:
  - (a) pay the *Subcontractor* the amount of the *Progress Claim* within 25 *Business Days* or such other period as regulated under the *SOPA*; or
  - (b) where the *Builder* disputes the *Progress Claim*, the *Builder* must, within 15 *Business Days* or such other period regulated under the *SOPA* for the giving of a payment schedule:
    - (i) give the *Subcontractor* a *Payment Schedule*; and
    - (ii) pay the *Subcontractor* the amount of the *Progress Claim* which is not disputed by the *Builder* in that *Payment Schedule*.
- 4.5. If a *Material Deposit* is paid by the *Builder* to the *Subcontractor*:
  - (a) the *Material Deposit* shall be regarded as a part payment of the *Price*;
  - (b) unencumbered title to the materials the subject of the *Material Deposit* immediately passes to the *Builder*.

## 5. VARIATIONS

- 5.1. The *Subcontractor* shall only vary the *Works* as required by the *Builder*. The *Subcontractor* shall not be entitled to claim for any variation not authorised in writing by the *Builder*.
- 5.2. The *Subcontractor* must notify the *Builder* immediately upon becoming aware that any variation to the *Works* is required.
- 5.3. The *Builder* may direct the *Subcontractor* to carry out any variation to the *Works*, including deletions or omissions to the *Works*.
- 5.4. The *Price* is to be adjusted by the price of a variation and the adjustment is to be included by the *Subcontractor* in its next *Progress Claim* after the work or any part of the work, the subject of the variation is carried out.
- 5.5. The price of a variation shall be determined using any *Agreed Rates* or by agreement between the *Builder* and the *Subcontractor*, or in the absence of such agreement, the *Builder* must make a fair and reasonable valuation of the variation.
- 5.6. Unless otherwise agreed, a variation that increases the *Price* must be agreed or valued before the *Subcontractor* carries out the variation.

## 6. DEFECTS

- 6.1. The *Subcontractor* will, at its own cost, maintain the *Works* until *Completion* and thereafter make good all defects that may appear in *Works* prior to the expiration of the later of:
  - (a) the *Builder's* defects liability period under the *Head Contract* (if any);
  - (b) 12 months following the *Completion* of the *Works*.
- 6.2. If the *Subcontractor* fails to comply with a direction by the *Builder* to make good defects, the *Builder* may have the work rectified or the materials removed and replaced by others and the cost is a debt due and payable by the *Subcontractor* to the *Builder*.

## 7. INDEMNITY

- The *Subcontractor* must indemnify the *Builder* against:
- (a) loss or damage to property, including existing property on or around the *Site*;
  - (b) claims against the *Builder* in respect of personal injury or death or loss or damage to any property;
  - (c) the cost of compliance with any direction to rectify defective or incomplete works issued by any statutory authority having jurisdiction over the *Works*, arising out of, or as a consequence of, the carrying out of the *Works* by the *Subcontractor*.

## 8. BASE WORK ACCEPTANCE

- 8.1. Unless notice is given under Clause 8.2(b), on commencing to carry out the *Works*, the *Subcontractor* is:
  - (a) deemed to have accepted the *Base Work* as satisfactory; and
  - (b) is not entitled to payment or any other compensation for additional work carried out to overcome or correct any unsatisfactory *Base Work*.
- 8.2. On commencing to carry out the *Works*:
  - (a) the *Subcontractor* agrees and accepts the obligation to fully inspect the *Base Work* and identify any issue that may affect the *Subcontractor's* ability to carry out the *Works* in accordance with the *Subcontract*; and
  - (b) if the *Subcontractor* considers that the *Base Work* is unsatisfactory or the conditions on the *Site* prevent the *Subcontractor* from commencing the *Works*, the *Subcontractor* must immediately notify the *Builder* in writing of such issues. The *Builder* agrees to promptly give direction to the *Subcontractor* as to how to overcome the issue and the *Subcontractor* must comply with that direction.

## 9. DAMAGE AND SITE CLEANING

- 9.1. The *Subcontractor* must:

- (a) pay to the *Builder* the cost of making good any damage done by the *Subcontractor*, its agents, workers, employees or subcontractors to the *Works* or property of the *Builder* or of any other subcontractor;
- (b) keep the *Subcontractor's* part of the *Site* clean and tidy; and
- (c) so far as is reasonably possible, leave the *Works* in a state fit for immediate use or occupation before vacating the *Site*.
- 9.2. If the *Subcontractor* fails to comply with Clause 9.1 the *Builder* may have the rectification or cleaning carried out by others and the cost is a debt due and payable by the *Subcontractor* to the *Builder*.
- 10. WORK PLACE HEALTH AND SAETY/ENVIRONMENTAL PROTECTION**
- 10.1. The *Subcontractor* must ensure that any person carrying out the *Works* complies with all relevant:
- (a) workplace health and safety laws, including industry codes of practices and advisory standards; and
- (b) environmental protection laws.
- 10.2. The *Subcontractor* must:
- (a) comply with all reasonable instructions of the *Builder* with respect to workplace health and safety and environmental protection;
- (b) undertake an assessment of the *Works* to determine possible risks and suitable control measures to minimise risks;
- (c) prepare a safe work method statement in respect of the *Works* and provide a copy to the *Builder*;
- (d) report all injuries, illnesses and dangerous events to the *Builder*;
- (e) ensure that:
- (i) all plant, equipment and materials are used and maintained in accordance with manufacturers' specifications so as to minimise the risk of injury;
- (ii) adequate and appropriate workplace health and safety instructions and supervision is provided to persons carrying out the *Works*; and
- (iii) notify the *Builder* in writing on receiving any notices from a statutory authority with respect to workplace health and safety or environmental protection.
- 11. SET-OFF**
- The *Builder* may deduct from any payment otherwise due to the *Subcontractor* any claim to payment which the *Builder* may have against the *Subcontractor* whether for damages or otherwise, under the *Subcontract* or otherwise at law.
- 12. DEFAULT**
- 12.1. If either party:
- (a) becomes insolvent, bankrupt or makes an assignment of that party's estate or attempts to enter into a scheme of arrangement, voluntary or otherwise, with its creditors;
- (b) is in substantial breach of this *Subcontract*, then the other party may, by giving written notice, determine this *Subcontract*.
- 12.2. Substantial breach of this *Subcontract* includes but is not limited to:
- (a) suspension of the *Works* by the *Subcontractor* otherwise than in accordance with the *SOPA*; or
- (b) failure by the *Subcontractor* to carry out the *Works* with reasonable diligence or in a competent manner; or
- (c) failure by the *Subcontractor* to comply with a direction from the *Builder* under Clause 6.
- 13. HEAD CONTRACT SUSPENSION / DETERMINATION**
- 13.1. The *Builder* may, by giving written notice to the *Subcontractor*, immediately suspend the *Works* if the *Head Contract* has been suspended.
- 13.2. Should the *Head Contract* be determined for any reason the *Builder* may determine this *Subcontract* by written notice to the *Subcontractor* and the *Builder* shall be only liable to reimburse the *Subcontractor* in respect of work already carried out and any other loss properly and necessarily incurred in connection with the *Works* and in respect of which the *Subcontractor* is unable to mitigate against and the *Subcontractor* shall not be entitled to recover loss of profit on the part of the *Works* not executed at the date of determination hereof.
- 14. DISPUTE RESOLUTION**
- 14.1. If either party considers that a dispute has arisen in relation to anything in connection with this *Subcontract*, during the progress of the *Works* that party must immediately upon becoming aware of such circumstances, give to the other party a written notice setting out the details of the dispute.
- 14.2. The parties agree to meet informally in an attempt to resolve the dispute within 15 *Business Days* of a notice being given under Clause 14.1.
- 15. APPLICATION OF SOPA**
- 15.1. This Clause 15 applies to the extent that the *SOPA* applies to this *Subcontract*.
- 15.2. The date or times prescribed in Clause 4.2 as the time for *Progress Claims* is, for the purpose of the *SOPA*, the 'reference date' (as defined in the *SOPA*).
- 15.3. The amount (if any) set out in a *Payment Schedule* as the amount of payment which the *Builder* proposes to make to the *Subcontractor* is, for the purposes of the *SOPA*, the amount of the 'progress payment' (as defined in the *SOPA*).
- 15.4. In dealing with any adjudication application made by the *Subcontractor* under the *SOPA* Vic, the Adjudicator shall:
- (a) at all times act impartially between the parties, in accordance with the laws; and
- (b) include in the determination the reasons for the determination and the basis on which any amount or date has been decided.
- 15.5. If the *Subcontractor* suspends the whole or part of the *Works* pursuant to the *SOPA*:
- (a) the *Completion Date* will be extended by the period of suspension;
- (b) the *Builder* will not be liable for any costs, expenses, damages, losses or other liability including delay or disruption costs whatsoever suffered or incurred by the *Subcontractor* as a result of the suspension.
- 16. GENERAL**
- 16.1. Neither party may assign or otherwise deal with its rights or obligations under this *Subcontract* without the prior written consent of the other party.
- 16.2. This *Subcontract* constitutes the entire agreement between the parties regarding its subject matter.
- 16.3. A provision of this *Subcontract* that is illegal, invalid or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality, invalidity or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the remainder of this document in any jurisdiction.
- 16.4. A party's failure to insist another party perform any obligation under this *Subcontract* is not a waiver of that party's right:
- (a) to insist the other party perform, or to claim damages for breach of, that obligation; or
- (b) to insist the other party perform any other obligation, unless the waiving party acknowledges the waiver in writing.
- 16.5. This *Subcontract* supersedes all other communications and negotiations (whether oral or written) between the *Subcontractor* and the *Builder* in relation to the *Works* and constitutes the entire terms of the *Subcontract* unless otherwise agreed in writing by the *Builder*, and will prevail over the terms of any documents provided to the *Builder* by the *Subcontractor* (such as delivery dockets, invoices, packing slips or other confirmations), unless agreed in writing by an authorised officer of the *Builder*. (Note - the signature of a person taking delivery of materials shall not constitute such an agreement).
- 16.6. A valid *Purchase Order* number must be quoted by the *Subcontractor* on all documentation relating to performance of the *Works*.
- 16.7. If there is any conflict, ambiguity or inconsistency between the documents comprising the *Subcontract*, the following order of precedence shall prevail:
- (a) the *Purchase Order*; then
- (b) the *General Conditions*.
- 16.8. The *Subcontractor* must not, without the prior written approval of the *Builder*, assign, subcontract, encumber or transfer any of its rights or obligations under the *Subcontract*. Any such approval will not relieve the *Subcontractor* of its obligations under the *Subcontract*.
- 16.9. Acknowledgement of receipt of the *Purchase Order* or commencement of the *Works* by the *Subcontractor* will be deemed to be the *Subcontractor's* acceptance of this *Subcontract*.
- 17. NOTICES**
- 17.1. Any notice under the *Subcontract* may be given by:
- (a) prepaid post;
- (b) email,
- to the address or email recorded in the *Purchase Order*.
- 17.2. A notice given by email shall be deemed received if the recipient's email server received the email irrespective of whether the recipient has opened the email.
- 18. SPECIAL CONDITIONS**
- 18.1. The *Special Conditions* (if any) included in the *Purchase Order* shall take effect as express terms of the *Period Subcontract*.
- 18.2. *Special Conditions* prevail over these *General Conditions* to the extent of any inconsistency.
- 19. DEFINITIONS**
- Agreed Rates** – means the rates stated in the *Purchase Order*;
- Base Work** – means the *Site* conditions including the work carried out by others on or over which the *Subcontractor* is to carry out the *Works*;
- Builder** – means Rizon Group Pty Ltd;
- Business Day** – means a day that is not a Saturday or a Sunday; or a public holiday, or a rostered day off in the place in which any relevant work or act is to be (or may be) done;
- Commencement Date** – means the date by which the *Subcontractor* must commence the *Works* on the *Site* as specified in the *Purchase Order*;
- Completion** – means when the *Works* are complete in accordance with the *Subcontract* and all relevant statutory requirements, apart from minor omissions or minor defects, the rectification or completion of which do not prevent the *Works* from being used for the intended purpose;
- Completion Date** – means the date that the *Works* are required to be completed by as specified in the *Purchase Order*;
- General Conditions** – means these *General Conditions* forming part of the *Subcontract*;
- Head Contract** – means the contract between the *Builder* and the principal or owner for work that includes the *Works*;
- Material Deposit** – means the amount specified in the *Purchase Order*, which is paid subject to the conditions at clause \_\_\_\_;

**Payment Schedule** – means the *Builder's* written response to a *Progress Claim* stating the reasons why the amount to be paid is less than the amount claimed;

**Price** – means the price specified in the *Purchase Order*;

**Progress Claim** – means a written claim for payment in accordance with clauses 4.2 and 4.3;

**Site** - means the *Site* described in the *Purchase Order* where the *Works* are to be performed;

**SOPA** - means the relevant security of payment legislation in each jurisdiction in which the *Works* are being performed, including:

- a) if the *Works* are performed in Queensland, the Building Industry Fairness (Security of Payment) Act 2017 (Qld) (**SOPA Qld**);
- b) if the *Works* are performed in New South Wales, the Building and Construction Industry Security of Payment Act 1999 (NSW) (**SOPA NSW**);
- c) if the *Works* are performed in Victoria, the Building and Construction Industry Security of Payment Act 2002 (Vic) (**SOPA Vic**);
- d) if the *Works* are performed in Tasmania, the Building and Construction Industry Security of Payment Act 2009 (Tas) (**SOPA Tas**),

as amended from time to time.

**Special Conditions** – means any special conditions stated in the *Purchase Order*;

**Subcontract** - means this subcontract which incorporates these *General Conditions* and the *Purchase Order*;

**Subcontractor** – means the subcontractor specified in the *Purchase Order*;

**Purchase Order** – means the *Purchase Order* provided by the *Builder* to the *Subcontractor* in accordance with clause 4.1;

**Works** - means the whole of the work to be carried out by the *Subcontractor* under this *Subcontract* as described in the *Purchase Order*.

**Addendum to Purchase Order – General Conditions**

This Addendum is made and entered into as of the date of the relevant *Purchase Order* issued by Rizon Group Pty Ltd ("Builder") to the *Subcontractor* named therein.

**1. Purpose**

This Addendum sets out *Special Conditions* that shall apply to the Subcontract and shall prevail over the *General Conditions* to the extent of any inconsistency.

**2. Incorporation**

This Addendum forms part of the Subcontract and shall be read in conjunction with:

- (A) The *Purchase Order*;
- (B) The *General Conditions*; and
- (C) Any other documents expressly incorporated into the Subcontract.

Terms defined in the General Conditions shall have the same meaning when used in this Addendum, unless otherwise expressly stated.

**3. Precedence**

In the event of any conflict, ambiguity, or inconsistency between the documents comprising the Subcontract, the following order of precedence shall apply:

- (A) This Addendum (Special Conditions);
- (B) The *Purchase Order*;
- (C) The *General Conditions*.

**4. Special Conditions**

**SC1. Defects Liability**

4.1 The *Subcontractor* will, at its own cost, maintain the *Works* until *Completion* and thereafter make good all defects that may appear in *Works* prior to the expiration of the later of:

- (A) the *Builder's* defects liability period under the *Head Contract* (if any);
- (B) 12 months following the *Completion* of the *Works*.

4.2 Where any defects are identified during the period referred to in Special Condition 4.1 (whichever is later), the *Subcontractor* must, at its own cost, rectify those defects. A separate defects liability period of 12 months will apply to each such rectification, commencing on the date the relevant rectification work is completed. This additional period will apply only to the rectified defect and will not extend the original defects liability period for the remainder of the *Works*.

4.3 If the *Subcontractor* fails to comply with a direction by the *Builder* to make good defects, the *Builder* may have the work rectified or the materials removed and replaced by others and the cost is a debt due and payable by the *Subcontractor* to the *Builder*.

**SC2. Latent Conditions**

4.4 For the purposes of this Special Condition 2, "Latent Conditions" shall mean physical conditions on the Site and its near surrounds, including artificial things, but excluding weather conditions and the effects of weather conditions, which differ materially from the physical conditions which should reasonably have been anticipated by a competent contractor in the position of the *Subcontractor* had the *Subcontractor* inspected all reasonably obtainable information, made reasonable enquiries and inspected the Site, its near surrounds and other foreseeable factors that may give rise to a latent condition.

4.5 The *Subcontractor* acknowledges and accepts full risk and responsibility for all Latent Conditions, including those which could not have been reasonably foreseen at the time of entering into the *Purchase Order*.

4.6 No claim shall be made by the *Subcontractor* for additional costs, time, or compensation arising from Latent Conditions.

**SC3. Determination and Suspension**

4.7 If the Subcontract is determined pursuant to clause 12 or 13 of the *General Conditions*, the *Subcontractor* must, without delay and in accordance with any directions issued by the *Builder*:

- (A) cease all further execution of the *Works* within the time stipulated by the *Builder*;
- (B) demobilise from the Site and ensure that the Site is left in a safe, orderly and secure condition, and that any partially completed *Works* are properly protected and secured to avoid damage or deterioration;
- (C) deliver to the *Builder* all documentation, records, drawings, specifications, reports, plans, manuals, approvals, certifications, and any other information or materials (in any form) in the *Subcontractor's* possession or control that relate to the *Works*, whether completed or in progress; and
- (D) take all reasonable steps to mitigate any loss, damage, or costs arising from or in connection with the determination, including measures to reduce the *Subcontractor's* own costs resulting from the suspension or determination of the Subcontract.

**SC4. Liquidated Damages**

4.8 If the *Subcontractor* fails to achieve *Completion* by the *Completion Date*, the *Subcontractor* shall be liable to pay liquidated damages at the rate specified in the *Purchase Order* (or if not specified, at a rate of \$500 per calendar day) for each day of delay until *Completion* is achieved.

4.9 The parties agree that the liquidated damages represent a genuine pre-estimate of the *Builder's* loss and are not a penalty.