

Standard Terms and Conditions of Sale

Recitals:

- A. Verbrec has offered to provide the Services detailed in the proposal.
- B. The Client shall pay to Verbrec the Fee for the supply of the Services.
- C. The Parties have agreed that the Services shall be supplied in accordance with the conditions of this Contract.

IT IS AGREED:

1 The Services

- 1.1 Verbrec shall supply the Services in accordance with the terms of this Contract.
- 1.2 Verbrec shall supply the Services in a professional manner, with the due care and diligence expected by a professional service provider in a similar field.
- 1.3 The Services shall be supplied in accordance with all relevant laws of the Jurisdiction and any specifications or standards that apply to the Services as stated in the Proposal.

2 Supply of Goods

- 2.1 This clause 2 only applies to the extent that the Proposal includes a supply of Goods.
- 2.2 Supply
Verbrec shall supply the Goods in accordance with any specifications or standards stated in the Proposal as applying to the Goods, and free from material Defects.
- 2.3 Delivery
Verbrec shall deliver the Goods to the place stated in the Proposal or, if no place is stated, then ex-works the place of manufacture or distribution, or such other place notified by Verbrec to the Client.
- 2.4 Defects
 - 2.4.1 The Client shall, within 14 days of delivery of the Goods, inspect the Goods and provide to Verbrec a report of any Defects. If the Client fails to provide such report within 14 days of delivery, the Client shall be deemed to have accepted the Goods.
 - 2.4.2 If the Client reports any Defects in the Goods in accordance with clause 2.4.1, Verbrec shall deal with any Goods that are proven to have material Defects in accordance with clause 12.

2.5 Warranty

- 2.5.1 All Goods are warranted by the manufacturer's written warranty only (if any). Verbrec passes these warranties to the Client as-is where permitted under the terms of such warranties.
- 2.5.2 The Client shall take any action necessary to establish the warranty relationship with the manufacturer of the Goods, including any registration requirements.

2.6 Risk and Interest in Goods

- 2.6.1 Risk in the Goods transfers from Verbrec to the Client upon delivery of the relevant Goods to the location in clause 2.3.
- 2.6.2 Title to the Goods transfers from Verbrec to the Client upon payment of the purchase price for the Goods (as stated in the Proposal) in full. At all times prior to Verbrec's receipt of payment in full, Verbrec retains full title to, and ownership of, the Goods and this Contract creates a 'security interest' (as that phrase is defined in the PPSA) in the relevant Goods in favour of the Company.
- 2.6.3 The Client acknowledges that Verbrec may register one or more financing statements in relation to its security interest in the Goods. To the extent permitted by the PPSA, the Client waives its rights under section 157 of the PPSA to receive notice of any verification statement relating to the registration of any such financing statement or any related financing change statement.

3 Information

- 3.1 Verbrec may rely on the accuracy, adequacy and completeness of any information provided to it by the Client in the supply of the Services.
- 3.2 If any error, ambiguity or omission in the Client provided information causes Verbrec to incur additional costs, any delay or requires additional resources, nothing in this Contract prevents Verbrec from claiming a Change in accordance with clause 7.
- 3.3 No review of, comment on or purported acceptance of any Client information shall affect Verbrec rights under this clause 3.

4 The Fee

- 4.1 The Client shall pay Verbrec the Fee for the performance of the Services.
- 4.2 If the Proposal states the Fee as 'lump sum', Verbrec shall use best endeavours to complete the Services within that 'lump sum' value and to notify the Client of any failure to do so.
- 4.3 Any failure by the Client to pay the Fee by the time stated in this Contract is a breach of a material term of this Contract.

5 Payment

- Verbrec is entitled to submit a claim for progress payment on a monthly basis in respect of the Services supplied in that month, and:
- 5.1 the progress payment claim shall be in the form of a tax invoice (**Invoice**) and, where applicable, is submitted under the security of payment legislation relevant to the Governing Jurisdiction;
 - 5.2 the Client shall pay to Verbrec the full amount stated in the Invoice within 30 days of receipt of the Invoice;
 - 5.3 to the extent that the Client disputes any portion of the Invoice, the Client shall provide a written notice to Verbrec

Standard Terms and Conditions of Sale

detailing the particulars of that dispute within ten days of receipt. The dispute shall be dealt with in accordance with clause 19. Despite this notice, the Client shall pay the entire Invoice within 30 days of receipt;

- 5.4 the Client shall not set off any amount of an Invoice without the written consent of Verbrec; and
- 5.5 if the resolution of a payment dispute under clause 5.3 results in an amount owing by Verbrec to the client, Verbrec shall either (in its sole discretion):
 - 5.5.1 set off such amounts against amounts owing by the Client, including under the next monthly progress payment claim; or
 - 5.5.2 provide a payment or refund, as applicable.

6 Time

- 6.1 Time is not of the essence under this Contract unless specifically stated otherwise in the Proposal.
- 6.2 Verbrec is entitled to an extension of time to any date by which it is required to supply the Services equal to the period of any delay which it may suffer arising from, or in any way connected with, any matter not within Verbrec's direct control. This entitlement to an extension of time applies despite any delay or failure to provide notice to the Client.

7 Change

- 7.1 Any Change may cause the Fee or time for completion to be adjusted in accordance with this clause 7.
- 7.2 Change notified by the Client

At any time, the Client may request a Change to the Services in writing providing that the Change is within the general scope of the Services provided under this Contract. Verbrec may, in its sole discretion, agree to the Change requested by the Client.
- 7.3 Change notified by Verbrec

If any direction, act or omission of the Client causes Verbrec to incur additional costs, or expend additional effort, Verbrec is entitled to claim a Change.
- 7.4 Change Estimate

If Verbrec submits a claim to a Change under clause 7.3, Verbrec will provide a written statement specifying the proposed Change and the estimate of the value and impact of the Change.
- 7.5 Valuation of Change
 - 7.5.1 All Changes shall be valued by Verbrec in accordance with the Rates in the Proposal or other reasonable rates from time to time.
 - 7.5.2 To the extent that the Change necessitates an extension of any time for completion of the Services due to any matter outside of Verbrec's direct control, clause 6.2 shall apply to that portion of the Services affected by the Change.

8 Delay

- 8.1 If time is stated to be of the essence under this Contract in the Proposal, and a delay event that is reasonably within the control of Verbrec causes the Services to be delivered after

the applicable date for completion stated in the Proposal (**Delay**), the Client is entitled to liquidated damages up to a maximum of 1% of the Fee per week up to a maximum aggregate limit of 5% of the Fee.

- 8.2 The parties hereby agree that the liquidated damages in this Clause 8 is a genuine pre-estimate of damages caused by a Delay.
- 8.3 The liquidated damages payable under this clause 8 shall be the Client's only recourse against Verbrec for a Delay.

9 Limitation of Liability

- 9.1 Notwithstanding anything else contained in this Contract, Verbrec's maximum aggregate liability under or in any way connected with this Contract including, without limitation, any liability for any claim at common law, for breach of contract, negligence, in equity, or under statute is limited to:
 - 9.1.1 in the case of Defects in the Goods or Services, rectification, repair or replacement of the Goods or Services by Verbrec, up to a maximum of the portion of the Fee associated with the relevant Good or Service; or
 - 9.1.2 in respect of any other claim, ten percent of the portion of the Fee properly paid to Verbrec at the time of the claim.

- 9.2 Notwithstanding anything else contained in this Contract (including the Proposal), and to the fullest extent permissible at law in the Governing Jurisdiction, neither party shall in any event whatsoever be liable to the other party for any Consequential Loss.

- 9.3 This clause 9 survives the expiry or termination of this Contract.

10 Intellectual Property

- 10.1 This clause 10 does not apply in respect of Software, which shall be governed under clause 11.
- 10.2 Any intellectual property rights created by Verbrec or its representatives as a result of the supply of the Services (**Created IP**) is and remains the property of Verbrec.
- 10.3 All intellectual property rights held by Verbrec existing prior to the date of this Contract or created other than as a result of the supply of the Services (**Background IP**) is and remains the sole property of Verbrec.
- 10.4 Verbrec grants the Client a non-exclusive, royalty-free, perpetual, and non-transferrable licence to use the Created IP and Background IP for the purposes of enjoying the benefits of the Services in its own business.
- 10.5 The Client grants to Verbrec a non-exclusive, irrevocable royalty-free, perpetual licence to use any intellectual property rights owned by the Client that are necessary for Verbrec to supply the Services.
- 10.6 Verbrec has the right to revoke any licence to use the Created IP or Background IP until the Fee is paid in full.
- 10.7 If use of any intellectual property rights of the Client under clause 10.5 results in Verbrec or its Related Bodies Corporate being subject to a claim for infringement of any intellectual property rights of a third party, the Client shall indemnify Verbrec and its Related Bodies Corporate against any claims, demands, damages, costs and expenses made

Standard Terms and Conditions of Sale

against or suffered by Verbrec and its Related Bodies Corporate as a result of any such claim or action.

10.8 If use of any intellectual property rights of Verbrec under clause 10.4 results in the Client or its Related Bodies Corporate being subject to a claim for infringement of any intellectual property rights of a third party, Verbrec shall indemnify the Client and its Related Bodies Corporate against any claims, demands, damages, costs and expenses made against or suffered by the Client and its Related Bodies Corporate as a result of any such claim or action.

11 Software

11.1 This clause 11 only applies if Software is to be delivered by Verbrec to the Client under the Proposal.

11.2 Standards Compliance

Except where specifically detailed in the Proposal, Software is delivered as-is and Verbrec does not warrant that the Software is fit for any particular purpose. Verbrec does not warrant Software or any associated services to meet any particular standard, protocol, regulation or documentation published by any authority. Except as expressly provided in this Contract or the Proposal and to the extent permitted by law, Verbrec expressly disclaims all warranties in respect of the Software.

11.3 Privacy and Monitoring

Verbrec may at any time collect and utilise such information or data from the Client as necessary to perform, maintain or monitor the Services.

11.4 Responsibilities

11.4.1 The Client is solely responsible for the use, and performance of, any Client software, equipment or network which is used to host, access or use any Software. and

11.4.2 Verbrec is not responsible for any delays, Defects or interruptions to the Services, Software or equipment caused by delays, action or inaction of the Client, other service provider or any third party.

11.5 Intellectual Property

Verbrec retains ownership of all intellectual property rights in the Software regardless of what system or server such the Software is hosted upon.

11.6 Limited Licence

Subject to clause 11.8, Verbrec grants to the Client a limited, non-exclusive license to use the Software in its own business for the term stated in the Proposal, or if no term is stated then until such license is revoked or suspended by Verbrec. The Client shall not, and shall ensure any third party engaged by the Client does not, nor attempt to:

11.6.1 reverse engineer, reverse assemble or reverse compile the Software or any part of the Software;

11.6.2 modify or upgrade or update the Software or part of the Software or combine or incorporate any part of the Software with any program or system;

11.6.3 sub-licence, resell, assign, distribute, or transfer any licence that does not expressly include the right to sub-licence in the Proposal; or

11.6.4 copy the Software or any part of the Software,

except as strictly required to use the Services in its own business and with Verbrec written permission to do so, which Verbrec shall not unreasonably withhold.

11.7 Acceptance

11.7.1 Verbrec offers to the client the acceptance testing regime for the Software detailed in the Proposal. The Client is deemed to have accepted the Software as-is upon completion of the acceptance testing regime.

11.7.2 The Client indemnifies and holds harmless Verbrec for any error, failure, inaccessibility, functional anomaly or Defect of any kind relating to the Software after the completion of the acceptance testing regime.

11.7.3 If no acceptance testing regime is detailed, then Software is deemed accepted by the Client upon creation and the indemnity in clause 11.7.2 applies from that date.

11.7.4 The parties agree that any modifications, changes, rework, repeat of any services or additional services relating to the Software, after the completion of the acceptance testing regime, due to a purported Defect of any kind shall be treated as a Change in accordance with clause 7.

11.8 Third Party License

Except as expressly provided for in the Proposal, expressly included as freeware with any supplied Software or Goods, or otherwise agreed in writing, Verbrec has not included a license to any third-party software as part of the Proposal or the Services and nothing in this Contract shall be interpreted to imply any such license is granted by Verbrec. To the extent that Verbrec configures, modifies, extends, enhances or adds to third-party software, each component shall be deemed severable and the third-party component shall be treated in accordance with this clause 11.8.

12 Defects

12.1 Subject to clauses 2.4, 9 and 11.7, Verbrec shall correct any Defect in the Goods or Services notified to Verbrec by the Client during the Defects Liability Period in accordance with clause 12.2.

12.2 If any Defects in the Goods or Services are proven during the Defects Liability Period, Verbrec shall remedy the Defect, by means of repair, modification or replacement of the subject Goods or Services to remedy the Defect (in Verbrec's sole election).

12.3 To the extent that any Services are provided by a third party supplier to Verbrec and/or the Client, Verbrec will pass-through any warranty given by the third party supplier to the Client on an 'as is' basis.

12.4 The warranties offered in this clause 12 are in lieu of and exclude, to the maximum extent possible, any other warranties available at law in the Governing Jurisdiction or otherwise. Notwithstanding the foregoing, nothing in this Contract operates to exclude, modify or restrict the application of any provision, the exercise of any remedy, or the imposition of any liability under the Australian Consumer Law set out in Schedule 2 of the *Competition and Consumer Act 2010* (Cth) (**ACL**). If the consumer guarantees

Standard Terms and Conditions of Sale

under the ACL apply to this Contract, then Verbrec's liability for any breach of the ACL will be limited to supplying the Goods or Services again or paying the cost of having such Goods or Services supplied again (in Verbrec's sole discretion).

12.5 This clause 12 survives the expiry or termination of this Contract.

13 Entire Agreement

13.1 The contract is comprised of:

- 13.1.1 the Proposal;
- 13.1.2 these Standard Terms and Conditions of Sale;
- 13.1.3 any document attached to the Proposal or referenced therein; and
- 13.1.4 any other document agreed in writing by the parties to be part of this contract,

(Contract).

13.2 The parties warrant that in entering into this Contract they have not relied upon any prior oral or written representation or warranty which is not expressly included in this Contract.

13.3 In the event of there being any ambiguity, discrepancy, or inconsistency of any nature between the documents comprising this Contract, the order of precedence to be applied to resolve the ambiguity, discrepancy, or inconsistency is the order in which the documents are listed in clause 13.1.

13.4 This Contract contains the entire agreement between the parties in respect of its subject matter and the terms of this Contract supersede any prior agreement, and override any other document or any terms and conditions issued on a purchase order or equivalent instrument.

14 Non-Solicitation

The Client shall not employ, or solicit or entice to employ, any employee of Verbrec for the period of 12 months following completion of the supply of the Services.

15 Confidentiality

The parties shall treat all information obtained under, or in relation to, this Contract as confidential. The obligation of confidentiality does not apply to the extent that any disclosure is to professional advisers for the purpose of seeking advice, required by law, court order or by a stock exchange listing rule, if the information is otherwise in the public domain (other than as a result of breach of confidentiality by a party under this clause 15), or as agreed to in writing between the parties. Verbrec may disclose confidential information of the Client to its Related Bodies Corporate and any third party suppliers (including their respective employees, representatives and agents) who have a need to know the information for the purpose of providing Services to the Client.

16 Suspension

16.1 Verbrec may:

- 16.1.1 in addition to any other remedies at law or under this Contract, suspend the Services if the Client has breached its payment obligations under this Contract, immediately upon written notice to the Client; and

- 16.1.2 suspend the Services due to a Force Majeure Event affecting the provision of the Services immediately upon written notice to the Client.

16.2 Any suspension to the Services under clause 16.1 that is not caused by a negligent act of Verbrec shall be considered a Change in accordance with clause 7.

16.3 Nothing in this clause 16 affects a party's obligation to pay under this Contract.

17 Termination

Either party is entitled to immediately terminate this Contract by the giving written notice in the following circumstances:

17.1 if either party fails to comply with any of its obligations under this Contract and, in the event that the failure is capable of being rectified, fails to remedy the failure to comply within 14 days of receipt of written notification of the default;

17.2 if the Services are suspended by Verbrec under clause 16.1.2 due to a Force Majeure Event affecting the provision of the Services for a continuous period of 3 months; or

17.3 if either party is insolvent, becomes bankrupt, or becomes subject to any official management, receivership, liquidation, voluntary administration, winding up, or external administration.

18 Effect of Termination

18.1 In the event of termination in accordance with clause 17, Verbrec, in addition to any remedy it may have at law in the Governing Jurisdiction, shall be entitled to be paid the Fee for Services performed (including partially performed) up to the date of termination plus any other reasonable costs necessarily incurred due to the event of termination.

18.2 Termination of this Contract does not affect the accrued rights of a party, nor any provisions which by its nature are intended to survive termination, including without limitation clauses 2.5, 2.6, 9, 10.2, 10.3, 11.5, 12, 13, 14, 15 and 18 to 23.

19 Dispute Resolution

19.1 If either party considers a dispute has arisen under this Contract (**Dispute**), it may issue a dispute notice to the other party which sets out the details of the Dispute.

19.2 In the event of a Dispute, a senior representative from each party with authority to resolve the Dispute shall meet to resolve the Dispute.

19.3 If no agreement is reached within 30 days after a dispute notice is issued, either party may commence legal proceedings.

19.4 During a Dispute, the parties shall continue to perform their obligations under this Contract.

19.5 A party must not initiate litigation against the other party in relation to a Dispute without first complying with the procedure set out in this clause 19, except that this clause 19.5 does not preclude a party from apply for any interim or protective order.

20 GST

20.1 In this clause 20:

- 20.1.1 **GST** has the same meaning as in the GST Law;
- 20.1.2 **GST Law** means:

Standard Terms and Conditions of Sale

20.1.2.1 if the Governing Jurisdiction is in Australia, *A New Tax System (Goods and Services Tax) Act 1999* (Cth); or

20.1.2.2 if the Governing Jurisdiction is New Zealand, *Goods and Services Tax Act 1985* (New Zealand),

and includes any replacement and subordinate legislation in respect of those Acts;

20.2 Words used in this clause 20 which have a defined meaning in the GST Law have the same meaning as in the GST Law unless the context indicates otherwise.

20.3 Unless expressly stated, the consideration for any supply under, or in respect of, this Contract does not include GST.

20.4 To the extent that any supply made under, or in respect of, this Contract is a taxable supply on which GST is chargeable, the recipient shall pay, in addition to the consideration provided under this Contract for that supply (unless it expressly includes GST) an amount (**Additional Amount**) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient shall pay the Additional Amount at the same time as the consideration to which it is referable.

20.5 Whenever an adjustment event occurs in relation to any taxable supply to which clause 20.4 applies:

20.5.1 the supplier will determine the amount of the GST component of the consideration payable; and

20.5.2 if the GST component of that consideration differs from the amount previously paid, the amount of the difference will be paid by, refunded to or credited to the recipient, as the case may be.

20.6 If either party is entitled under this Contract to be reimbursed or indemnified by the other party for a cost or expense incurred in respect of this Contract, the reimbursement or indemnity payment will not include any GST component of the cost or expense for which an input tax credit may be claimed by the party being reimbursed or indemnified, or by its representative member.

21 Applicable Law

This Contract is governed by the laws of the Governing Jurisdiction. The parties irrevocably elect to submit to the courts of the Governing Jurisdiction.

22 Definitions

Capitalised terms have the following meaning in this Contract (unless the context requires otherwise):

Background IP has the meaning given in clause 10.3.

Change means any adjustment (whether additional or omission) to any part of the Services as they have been described in the Proposal.

Client means the party to whom the Proposal is addressed or failing that the party referred to as the client in the Proposal and is deemed to include its Related Bodies Corporate and its personnel.

Consequential Loss means any consequential, indirect, special, exemplary, or punitive damages, including any loss of production, loss of use, loss of revenue, loss of profit, loss of anticipated revenue or profit, loss of business reputation,

business interruptions of any nature, loss of opportunities, loss of anticipated savings or wasted overheads, whether present or future, fixed or unascertained, actual or contingent.

Contract has the meaning given in clause 13.1.

Created IP has the meaning given in clause 10.2.

Defect means any defect or deficiency in design, workmanship or otherwise which causes the Goods, Services or Software, as applicable, to fail to comply with the specifications or standards (if any) specified in the Proposal.

Defects Liability Period means a period of three months from the date of completion of the Services.

Delay has the meaning given in clause 8.1.

Dispute has the meaning given in clause 19.1.

Fee means the fee, price or sum quoted for the supply of the Services as stated in the Proposal.

Force Majeure Event means an event beyond the reasonable control of the affected party and includes:

- (a) riot, war, invasion, act of foreign enemies, hostilities, acts of terrorism, civil war, rebellion, armed conflict or insurrection;
- (b) ionising radiation or contamination by radioactivity;
- (c) pressure waves caused by aircraft or other devices travelling at sonic or supersonic speeds;
- (d) political instability or state emergency
- (e) earthquake, flood, fire, cyclone, tsunami explosion and/or other natural physical disaster;
- (f) strikes or industrial disputes which affect a substantial or essential portion of the Services;
- (g) maritime or aviation disasters
- (h) epidemics or pandemics; and
- (i) government shutdowns or government-imposed travel bans,

but only to the extent that it reasonably prevents the affected party from completing its obligations under this Contract.

Goods means the goods to be supplied by Verbrec to the Client as stated in the Proposal (if any), and excludes Software.

Governing Jurisdiction means either:

- (a) in the case of a Proposal from a division of Verbrec incorporated in New Zealand, New Zealand; or
- (b) in all other cases, the State of Australia referenced in the Proposal.

Invoice has the meaning given in clause 5.1.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Proposal means the offer document provided by Verbrec to the Client detailing the Services, Goods and Software (as applicable) to be supplied.

Rates means any rates schedule detailed in the Proposal or to the extent no rates are defined, Standard Rates.

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

Standard Terms and Conditions of Sale

Services means the services detailed in the Proposal as due to be supplied in return for payment of the Fee.

Software means development, distribution, hosting or license by Verbrec of any combination of code, script, schema, template file, block, module, library, software application, configurations setting, and including any improvement, modification, update, customisation, enhancement, derivation, patch, change of any or all of these.

Standard Rates means the schedule of rates delivered by Verbrec to the Client in lieu of Rates being included in the Proposal.

Verbrec means the Verbrec entity stated in the Proposal.

23 Miscellaneous

- 23.1 The terms of this Contract may only be amended in writing and signed by both parties.
- 23.2 Neither party may assign this Contract without the written consent of the other party.
- 23.3 Verbrec may subcontract its obligations under this Contract in its sole discretion, provided however that it continues to have primary liability under this Contract.
- 23.4 All notices and other documents required to be given under this Contract:
 - 23.4.1 shall be in writing and signed by an authorised person; and
 - 23.4.2 may be delivered by post, hand or email to the party to whom the notice is addressed at its address stated in this Contract or notified to the other party by notice.
- 23.5 The expressions 'including', 'includes' and 'include' are not expressions of limitation but have the meaning as if followed by 'without limitation'.
- 23.6 If any term of this Contract is held to be invalid, unlawful, or unenforceable in any way and for any reason, the terms of this Contract shall continue to apply to the fullest extent possible save and except for the part which is held to be invalid, unlawful, or unenforceable.
- 23.7 No failure, delay or relaxation by any party in exercising any rights conferred under this Contract will operate as a waiver of such right. Any waiver shall be in writing and signed by the party granting the waiver.
- 23.8 This Contract may be executed in any number of counterparts.
- 23.9 Headings and bold type are for convenience only and do not affect the interpretation of this Contract.
- 23.10 Each party is responsible for its own costs of entering into or complying with any term under this Contract.