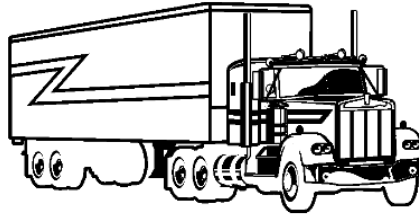


JOHN HEGGART TRANSPORT PTY. LTD

ACN 094 311 243



**SUB-CONTRACTOR
TOW OPERATOR (HAULIER)
INDEPENDENT OPERATOR**

SERVICE AGREEMENT

The Conditions set out below apply to all subcontractors that transport freight for John Heggart Transport Pty Ltd. (JHT)

I / We agree:

1. PAYMENT

- 1.1 The Subcontractor is not entitled to payment until they have returned to JHT at its above address or other nominated address all associated signed paperwork.
- 1.2 Payment is dependent upon delivery of each load in good order and condition.
- 1.3 Payment will be made by JHT through Electronic Funds Transfer direct to the Subcontractors bank account on the 15th of each month for all invoices up to the end of the previous month followed by a payment confirmation in the mail.

2. INDEPENDENT CONTRACTORS

- 2.1 The Subcontractor is not an employee of JHT and the Subcontractor shall exercise their own discretion in the performance of their obligations and the manner of their performance.
- 2.2 The subcontractor shall be registered as a Proprietary Limited Company (Pty Ltd)

3. INSURANCE

- 3.1 During the term of this agreement the Subcontractor shall obtain, and keep current, **Public Liability Insurance** in which the limit of the liability will be no less than \$5 million in respect of the Services with a recognized insurer approved by JHT and which contains such conditions and endorsements as are acceptable to or are required by JHT.
- 3.2 During the term of this agreement the Subcontractor shall obtain, and keep current, a **Carriers Liability (Marine)** Insurance in which the limit of the liability will be no less than \$250,000.00 in respect of loss of or damage to freight.
- 3.3 During the term of this agreement the Subcontractor shall obtain, and keep current, a **Comprehensive Motor Vehicle Insurance** Policy insuring the vehicle with a recognised insurer for its current market value. The Policy shall include third party property damage cover for a sum of not less than \$5 million.
- 3.4 During the term of this agreement the Haulier shall obtain, and keep current, a **Tow Operator in Control Insurance** Policy. The Policy shall include property damage cover for a sum of not less than \$80,000.00 for single trailers and \$130,000.00 for double trailers.

4. GENERAL

The Subcontractor must at all times abide by the following rules:

- a. Prior to commencement provide JHT with copy of the following **forms**: - Sub-Contractor Registration for all drivers, Direct Credit Bank Payment, Recipient Created Tax Invoice .
- b. Prior to commencement and annually thereafter provide a copy of the receipted **Insurance details** (as specified above) and **Roadworthy Certificate**, if applicable.
- c. Prior to commencement of work for JHT and on a bi-annual basis provide a **Medical Certificate** of capacity to perform work as a Line Haul Operator.
- d. Prior to commencement or work for JHT and on a bi-annual basis the Subcontractor is required to provide a **'Drivers Declaration'** which provides information from the relevant Government Authority regarding the Drivers License held by the Subcontractor.

- e. That the Subcontractor is aware that JHT is a **'Drug Free'** work environment and that the use of illicit drugs, abuse of prescription drugs or Subcontractors effected by alcohol will not be tolerated.
- f. That the Subcontractor is aware that JHT has ongoing processes for the **Auditing** of the Subcontractor's working hours and maintenance records.
- g. To take proper care of the goods and ensure that all **loads are properly secured, safeguarded against theft and protected from damage by weather** or otherwise.
- h. Do not do or permit or suffer to be done anything whereby any policy or insurance effected by JHT in respect of the goods shall be voided or prejudiced.
- i. To comply at all material times with the provisions of the **Occupational Health & Safety legislation and regulations** in force in the State or Territory in which I/we do business.
- j. If any **accidents** that the Subcontractor or his vehicle are involved in, whilst in the course of providing services pursuant to this agreement, must be reported to JHT at the first available opportunity by the Subcontractor completing an Accident Report Form. Should there be an accident involving damage to a load, or to any freight during a loading or unloading process, appropriate details of the incident (including details of the nature of the damage) must be advised by the Subcontractor to JHT as soon as practicable.
- k. The Subcontractor will comply with all relevant **legislative requirements**, ordinances, regulations and by-laws of the States or Territories of Australia in which he operates. This shall include **logbook requirements, road traffic laws**, and any other laws that are or shall become applicable.
- l. To be responsible for payment of and duly and promptly pay all **load license fees and registration fees** or any other fees whatsoever in relation to the carriage of the goods.
- m. To deliver the goods to their destination within a reasonable time and in the event of any **delay in delivery** will forthwith inform JHT by telephone stating the cause of the delay, the exact location of the delayed vehicle and the estimate of the time of arrival at the destination.
- n. To immediately inform JHT by telephone of the occurrence of any **loss of or damage to the goods**.
- o. That in the event of any delay in delivery or any part of them or any failure to take the most direct practicable route or any breach of this Agreement, or if in the opinion of JHT it shall be necessary to retake custody of the goods for their preservation or their safekeeping, it shall be lawful for JHT or its agents in addition to and without prejudice to any other right which JHT may have hereunder and without the Subcontractors consent to enter into or upon any premises or land where the goods then are and to seize and take possession of the goods or any part of them and at JHT's discretion to carry the goods away and costs and expenses incurred by JHT in so doing shall be payable to JHT by the Subcontractor on demand or if JHT thinks fit be deducted by JHT from any monies then or thereafter due or owing or becoming due or owing to the Subcontractor.
- p. That upon **delivery of the goods** the Subcontractor will ensure that they shall be forthwith checked by or on behalf of both the Subcontractor and a signature obtained as evidence and that any discrepancies in number of quantities or any damage shall then be noted and full information of the same forthwith given to JHT.
- q. That where the **Subcontractor employs a driver** and that driver is allocated to a vehicle to transport freight for JHT then it is the Subcontractors responsibility to ensure that driver is aware of, understands and will comply with these Terms and Conditions.

- r. That where the Subcontractor employs a driver that employee of the Subcontractor shall be solely responsible for all employer obligations in respect of that employee including; WorkCover Insurance, Employer Superannuation, Group Tax Provisions, and wages and salaries including sick pay and long service leave.
- s. The **freight belongs to JHT's customer** and that under no circumstances does the Subcontractor have any ownership in the goods being transported and therefore the Subcontractor cannot, for any reason, with hold the goods from delivery to the required destination and within the scheduled timeframe.
- t. The Subcontractor has **no authority to and will not pledge the credit of JHT** (except with the express written consent of JHT)
- u. The Subcontractor will ensure that drivers are suitably attired at all times. The suitable attire will be work grade clothing and include, **safety boots, safety vests, eye**, ear and sun protection.
- v. The Subcontractor agrees to undergo induction **training** in accordance with any training as may be deemed appropriate by JHT. JHT may provide the Subcontractor with training on other matters at JHT's discretion including JHT's policies, procedures, and health and safety. All such training will be carried out in the Subcontractors own time.
- w. The subcontractor will adhere to all reasonable **requests from JHT's customers** and comply with their OH&S requirements including using designated areas and walkways.
- x. The Subcontractor agrees to be contactable by mobile telephone at all times unless otherwise advised.
- y. The Subcontractor will maintain the upmost confidentiality in terms of a customer and not disclose any information to another source, competitor or media.

5. INDEMNITY

- 5.1 The Subcontractor will indemnify and hold harmless JHT, its officers, employees, successors, licensees and assigns (collectively in this clause called JHT) from and against all claims, damages, liabilities, judgements, losses, costs and expenses of every kind and nature, including legal fees incurred or suffered by JHT as a result of:-
 - a. a breach of these Terms and Conditions by the Subcontractor;
 - b. any act of default of the Subcontractor, its employees or agents;
 - c. any activity carried out by the Subcontractor, its servants and agents which relate to the transport of freight for JHT pursuant to these terms and conditions.
 - d. any liability incurred for any loss, damage or injury to person or property caused by an act or omission of the Subcontractor, or any employee of the Subcontractor, and the amount of any claim, damages, costs and expenses which may be paid, suffered or incurred by JHT in respect of any such loss, damage or injury will be paid by the Subcontractor to JHT on demand;
 - e. any liability incurred for any loss or damage arising out of any failure to deliver the product for JHT, late delivery of the product for JHT, delivery of damaged product for JHT or any other breach of this agreement and the amount of any claim, damages, costs and expenses which may be paid, suffered or incurred by JHT in respect of any such loss, damage or injury will be paid by the Subcontractor to JHT on demand or deducted from monies owing as required.

7. TERMINATION

7.1 This agreement may be terminated immediately at any time by JHT on any of the following grounds:

- a) Failure by the Subcontractor to carry out a reasonable instruction or demand by a JHT Manager or Supervisor;
- b) Falsification of documentation by the Subcontractor;
- c) Unauthorised disclosure of confidential information by the Subcontractor;
- d) Serious misconduct, dishonesty or gross negligence by the Subcontractor.
- e) Theft by the Subcontractor;
- f) Fighting with an employee, Subcontractor, other agent or customer of JHT;
- g) Subcontractor being medically unfit to provide services pursuant to this agreement.
- h) Loss of Licence.
- i) Breach of any required operating procedures or any term or condition of this agreement.
- j) Subcontractor found to be using illicit drugs, abusing prescription drugs or effected by alcohol.

7.2 Without limiting JHT termination rights set out in (1) above, this agreement also may be terminated by either of the parties at any time.

Signed on behalf of Sub-contractor

I, _____ (name) of _____ (company)

Agree to the terms and conditions set out in this agreement.

_____ (signed) _____ (date)

Signed on behalf of John Heggart Transport

_____ (signed) _____ (date)