

## SUBCONTRACTING POLICY

From time to time, ARA Group Limited ABN 47 074 886 561 and its related corporate entities (collectively **ARA Group**) may subcontract all or any part of Work which ARA Group is contracted to undertake. This Subcontracting Policy (**Policy**) governs the circumstances under which Work can be subcontracted and the principles which shall apply to subcontracting generally.

### 1 Definitions

In this Policy:

‘**Specialist Subcontractor**’ means a subcontractor that undertakes (without limitation); asbestos removal, demolition and deconstruction, environmental remediation, abseiling, external window cleaning of high-rise buildings, and ‘wet hire’ of cranes.

‘**Work**’ means the supply of goods, labour hire and services by ARA Group to a third party.

### 2 Subcontractor assessment

2.1 ARA Group will evaluate all subcontractors on their ability to comply with applicable legislative requirements. Subcontractor’s may also be evaluated by ARA Group with respect to:

- (a) quality status and performance;
- (b) certification and qualifications of subcontractors and their employees to undertake the Work subcontracted;
- (c) insurance cover (pursuant to section 4 below); and
- (d) any other reasonable criteria ARA Group deems appropriate in the context of evaluating subcontractors.

2.2 All approved subcontractors will be listed in ARA Group’s accounting systems database.

### 3 Subcontracting under contract

3.1 Where ARA Group purports to subcontract Work, the applicable contractual dealings governing the Work must be reviewed carefully to ensure ARA Group has a right to subcontract the Work. ARA Group’s Legal Department should be consulted as necessary to confirm whether such right exists and the scope of the right to subcontract.

3.2 When subcontracting Work, the procedure pertaining to subcontracting as prescribed in the applicable contract must be strictly complied with. Failure to do so may result in serious consequences for ARA Group.

### 4 Insurance requirements

4.1 All third parties to whom ARA Group seeks to subcontract Work to must comply with ARA Group’s insurance requirements as applicable in the circumstances. At a minimum, all subcontractors will be required to have the following policies of insurance:

- (a) workers compensation insurance;
- (b) public liability insurance at a minimum value of \$20,000,000 per occurrence; and
- (c) product liability insurance at a minimum value of \$20,000,000 per occurrence (if goods are being supplied and/or the Works involve a completed structure that is deemed to be a product).

- 4.2 Further insurance requirements will apply in addition to those stipulated in item 4.1 above where the subcontractor:
- (a) requires specialist skills (i.e. welding);
  - (b) uses certain equipment (i.e. scissor lifts or mobile plant);
  - (c) is a Specialist Subcontractor; or
  - (d) is a consultant providing technical and/or professional services.
- 4.3 ARA Group does not take out its own insurance with respect to Work within the expertise of Specialist Subcontractors and any insurance applicable to such expertise (i.e. asbestos disease liability insurance) must be taken out directly by the Specialist Subcontractor.
- 4.4 Where Work to be subcontracted involves design or consulting generally, the subcontractor will be required to obtain professional liability insurance in addition to other insurance requirements ARA Group imposes.

## 5 Responsibility to manage subcontractors

- 5.1 All project managers and supervisors (and other applicable managerial staff) with responsibility to manage and oversee the completion of Work must:
- (a) evaluate the ability of any applicable subcontractors in accordance with this Policy;
  - (b) review the insurance documentation of any subcontractors whom will conduct Work on behalf of ARA Group, prior to the commencement of the subcontract;
  - (c) issue purchase orders with specific and detailed conditions that reflect contract, legislative and client specific requirements (where applicable);
  - (d) regularly monitor and review the performance of subcontractors; and
  - (e) report and record any non-conformance of the subcontract and take reasonable steps to oversee that effective corrective action is taken.
- 5.2 Communication is of the utmost importance when subcontracting Work. ARA Group will endeavour at all times to keep subcontractors informed of information necessary to complete the subcontracted Work, or which otherwise concerns the subcontractor(s) generally.



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Edward Federman  
Chief Executive Officer

12 December 2023

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Date