

MEMKO Pty Ltd

PURCHASE ORDER STANDARD TERMS AND CONDITIONS

(version 1 01-06-2017)

1. SUPPLY OF GOODS AND/OR SERVICES

1.1 In consideration of payment of the Price by the Company, the Contractor must supply to the Company the Goods and/or perform the Services in accordance with the Purchase Order (which includes these Purchase Order Terms and Conditions).

1.2 To the extent the Contractor's terms and conditions are supplied with the Goods or Services (including as printed on consignment notes or other documents), those terms and conditions will be of no legal effect and will not constitute part of this Purchase Order (even if any representative of the Company signs those terms and conditions or annexes the terms and conditions to this Purchase Order).

1.3 Where this Purchase Order relates to Goods and/or Services the subject of a contract between the Contractor and the Company, the terms of that contract apply to the extent of any inconsistency with these Purchase Order Terms and Conditions.

- 1.4 The Contractor must, in supplying the Goods or performing the Services:
- (a) not interfere with the Company's activities or the activities of any other person at the Delivery Address;
 - (b) be aware of and comply with and ensure that the Contractor's employees, agents and contractors are aware of and comply with:
 - (i) all applicable Laws;
 - (ii) all Site Standards and Procedures, to the extent that they are applicable to the supply of the Goods or the performance of the Services by the Contractor; and
 - (iii) all lawful directions and orders given by the Company's representative or any person authorised by Law to give directions to the Contractor;
 - (c) ensure that the Contractor's employees, agents and contractors entering the Company's premises perform in a safe manner and are properly qualified for, and skilled in, the performance of their tasks and are of such character as not to prejudice:
 - (i) safe working practices;
 - (ii) safety and care of property; and
 - (iii) continuity of work;
 - (iv) site security;
 - (v) any other site Specific requirements;
 - (d) provide all such information and assistance as the Company reasonably requires in connection with any statutory or HSEC investigation in connection with the supply of the Goods or the performance of the Services;
 - (e) on request by the Company, provide to the Company and its employees, agents and consultants any information and assistance required to identify, evaluate, implement and report on any matter required by Law, including:
 - (i) producing written reports;
 - (ii) recommending efficiency opportunities;
 - (iii) collecting data; and
 - (iv) monitoring or metering,in respect of anything used, produced or created in connection with the performance of the Contractor's obligations under this Contract.

2. DELIVERY

2.1 The Contractor must deliver the Goods to the Delivery Address (in accordance with the INCO Terms specified in the Purchase Order) by the Delivery Date. 2.2 The Contractor must ensure that the Goods are suitably packed to avoid damage in transit or in storage.

2.3 Packages must be marked with the Purchase Order number, item number, destination, contents, quantity, date and method of dispatch and weight of each package and comply with any specific purchase order requirement.

3. TIME FOR PERFORMANCE

The Contractor must perform the Services by the date specified in the Purchase Order.

4. TITLE AND RISK

4.1 Title in the Goods passes to the Company upon payment of the Price. 4.2 Risk in the Goods passes to the Company when the Goods are delivered to the Delivery Address in accordance with the INCO Terms specified in the Purchase Order.

5. PRICE

5.1 The Company must pay the Contractor the Price for the Goods and/or Services. 5.2 The Price is inclusive of all costs incurred by the Contractor in the supply of the Goods and/or performance of the Services including all charges for packing, insurance and delivery of the goods and the cost of any items used or supplied in the performance of the Services. 5.3 The Price is inclusive of all taxes and duties, except GST.

6. GST

- 6.1 If GST is imposed on any supply made by the Contractor under or in connection with this Purchase Order, the Contractor may recover from the Company, in addition to the Price, an amount equal to the GST payable in respect of that Supply.
- 6.2 The Contractor must first provide the Company with a valid tax invoice before the Company will pay the GST amount to the Contractor.

7. INVOICING

- 7.1 Upon delivery of the Goods and/or completion of the Services, the Contractor must provide to the Company:
- (a) where the Contractor has entered into an RCTI Agreement with the Company, a Contractor Reference Document; or
 - (b) a valid tax invoice, which must include the information set out in clause 7.3.
- 7.2 The Company will, as soon as practicable after approval of the Contractor Reference Document by the Company, generate a Recipient Created Tax Invoice. 7.3 A Contractor Reference Document and any invoice must include the following details: (a) a reference to this Purchase Order and the relevant Contract (if any) including the line item numbers on the Purchase Order and the Contract number;
- (b) a detailed description of the delivered Goods or performed Services, including the date of delivery and/or period of Services in respect of which the Contractor Reference Document or invoice relates and the relevant quantity;

- (c) an individual reference number for the Company to quote with remittance of payment;
 - (d) the Price relating to the Goods and/or Services, broken down to reflect the same Price components on the Purchase Order;
 - (e) the amount of any applicable GST;
 - (f) Company name and address, and;
 - (g) Company contact name and details.
- 7.4 If the Company requests, the Contractor must provide the Company with all relevant records to calculate and verify the amount set out in any Contractor Reference Document or any Invoice.
- 7.5 The Company is not obliged to approve a Contractor Reference Document or any invoice submitted in accordance with clause 7.1(b), and may withhold approval and/or money due to the Contractor under this Contract if the Goods or Services (or any part of them) are Defective.
- 7.6 Subject to clause 7.5, the Company will pay all Recipient Created Tax Invoices and all invoices that comply with clause 7.3 within 30 days of their generation or receipt (as the case may be), except where the Company disputes the Contractor Reference Document or invoice, in which case:
- (a) the Company may withhold payment pending resolution of the dispute; and
 - (b) if the resolution of the dispute determines that the Company must pay an amount to the Contractor, the Company must pay that amount upon resolution of that dispute.
- 7.7 The Company may reduce any payment due to the Contractor under this Contract by any amount which the Contractor must pay the Company, including costs, charges, damages and expenses and any debts owed by the Contractor to the Company on any account whatsoever. This does not limit the Company's right to recover those amounts in other ways.

8. QUALITY

- 8.1 The Goods and/or Services must match the description referred to in the Purchase Order.
- 8.2 If the Contractor gave the Company a sample of the Goods or a demonstration of the Services, the Goods and/or Services must be of the same nature and quality as the sample or demonstration given.
- 8.3 The Goods and/or Services must be fit for the purpose for which goods and/or services of the same kind are commonly supplied or bought and for any other purpose the Company specifies.
- 8.4 The Goods must be of merchantable quality and, unless otherwise specified in the Purchase Order, must be new.
- 8.5 If required by the Company, the Contractor will provide a Certificate of Conformance or such other quality documentation as required to confirm the authenticity, origin and or compliance to specification and performance of the goods.
- 8.6 If required by the Company, the Contractor will provide evidence of compliance with an AS9100 Quality Management System and the AS9100 FLOW DOWN – ADDITIONAL TERMS AND CONDITIONS as below, will apply.

9. WARRANTY PERIOD

- 9.1 Where the Goods and Services include delivery and installation the Contractor will perform installation and commissioning testing and calibration to the satisfaction of the Company and if required provide certification of the goods to the specifications included in the Purchase Order. The warranty period will not commence until the date of such certification.
- 9.2 If, during the Warranty Period, any of the Goods or Services are found to be Defective, the Company may:
- (a) return the Defective Goods to the Contractor;
 - (b) reject the Defective Services ;
 - (c) repair or make good the Defective Goods; or
 - (d) re-perform or make good the Defective Services.
- 9.3 The Contractor must:
- (a) repair or replace the Defective Goods;
 - (b) re-perform or make good the Defective Services; or
 - (c) reimburse the Company for any expenses incurred in repairing, re-performing or making good (as the case may be) any Defective Goods or Services, at the Contractor's cost, if requested to do so by the Company.

10. DEFINITIONS

Company means MEMKO Pty Ltd.

Contractor means the party identified as such in the Purchase Order.

Contractor Reference Document means a delivery document, dispatch note, time sheet, claim form or such other document which evidences the delivery of Goods or performance of Services.

Defective means Goods and/or Services (or any aspect of them) which are not in accordance with the Purchase Order or which are damaged, deficient, faulty, inadequate or incomplete.

Delivery Address means the place for delivery specified on the Purchase Order.

Delivery Date means the delivery date specified on the Purchase Order.

Goods means the goods, if any, described on the Purchase Order.

GST has the meaning given to that term under the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

HSEC means health, safety, environment and community.

Law means:

- (a) Commonwealth, State and local government legislation including regulations, by- laws, orders, awards and proclamations;
- (b) common law and equity;
- (c) Authority requirements and consents, certificates, licences, permits and approvals (including conditions in respect of those consents, certificates, licences, permits and approvals); and
- (d) guidelines of Authorities with which the Contractor is legally required to comply.

Purchase Order means the purchase order for Goods and/or Services issued by the Company to the Contractor from time to time containing, amongst other things, a description of the Goods and/or Services.

Price means the price set out in the Purchase Order which is exclusive of GST, but is inclusive of all other costs and charges.

RCTI Agreement means an agreement in the form provided by the Company and

entered into between the Contractor and the Company or a related entity of the Company pursuant to which the parties have agreed that the Company will issue Recipient Created Tax Invoices in respect of all Goods and Services provided by the Contractor.

Recipient Created Tax Invoice has the meaning prescribed in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Services means the services, if any, described on the Purchase Order.

Site Standards and Procedures means:

(a) ML-1301- MEMKO HR Policy and Procedure Manual;

(b) PY-1301 – MEMKO Environmental Policy, and any other guidelines, rules, requirements or Site specific conditions which the Company makes available to the Contractor from time to time.

Warranty Period means the period of 24 months commencing on the date of delivery of the Goods and/or 12 months from the date on which the Service is performed or such longer period as offered in the Contractors quotation.



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AS9100 FLOW DOWN – ADDITIONAL TERMS AND CONDITIONS

These terms and conditions are additional to the MEMKO Pty Ltd, Purchase Order Standard Terms and Conditions and are applicable where AS9100 Quality Management System compliance is referenced as an additional term.

11. GENERAL QUALITY PROVISIONS

- 11.1 Contractor shall flow down to sub-tier Contractors the applicable requirements in the purchasing documents.
- 11.2 Contractor shall establish and maintain records to provide Objective Quality Evidence of conformity to purchasing requirements and of the effective operation of the Contractor's quality management system.
- 11.3 Unless stated otherwise in the purchase order, at a minimum, each quality record is to be maintained for at least seven years.
- 11.4 Records shall be available for review by Company, its customers and regulatory authorities, as required.
- 11.5 Contractors are to provide their procedures for controlling relevant records to Company's purchasing for review by the Purchasing Manager.

12. NON CONFORMANCE PROVISIONS

- 12.1 Contractor shall notify Company of nonconforming product or process prior to delivery and await for Company's approval of Contractor nonconforming product. 12.2 Contractor shall maintain Objective Quality Evidence of Company's approval of Contractor nonconforming product. The Contractor organization shall take action to determine and eliminate the cause of nonconformities in order to prevent recurrence and to provide Objective Quality Evidence to Company, and/or our customers, assuring them of the quality of delivered goods.
- 12.3 If it becomes evident that non-conforming product has been inadvertently released to Company then Company requires to be notified within 24 hours of such a discovery.

13. PRODUCT AND PROCESS CONFORMITY PROVISIONS

- 13.1 Contractor shall notify Company of any changes in the product and/or process used in the manufacture of the product. Company reserves the right for approval of the product, the parts used, the materials used, the procedures used and the equipment used by the Contractor in fulfilling the Purchase Order requirements.
- 13.2 Contractor shall provide Certificates of Conformity for product delivered, (a) Including the parts used, (b) the materials used, (c) the procedures used (d) the equipment used in fulfilment of the Purchase Order requirements. 13.3 Company, its customers, and regulatory authorities shall be granted the right of access to all Contractor and sub-tier Contractor facilities and records involved in fulfilling the Purchase Order requirements.
- 13.4 All items of this purchase order are subject to in-process quality surveillance by Company and/or its customer.
- 13.5 At any time, Company may notify the Contractor of specific requests for on-site surveillance. Company reserves the right to request the opportunity to witness any actions in support of this order.
- 13.6 The Contractor shall provide no less than three business days advance notification to Company's procurement representative before items are ready for any requested Company source surveillance.
- 13.7 The Contractor shall not proceed without Company present or without Company QA written authorization to proceed.
- 13.8 The Contractor shall provide reasonable facilities and assistance, including all quality records and related data for contracted goods, upon request.
- 13.9 Special process Contractors (e.g., shot peen, plating, heat treatment, bonding, non-destructive testing, welding, coating, chemical processing, electro mechanical machining, etc.) shall require accreditation through the National Aerospace and Defence Contractors Accreditation Program (NADCAP) as a pre requisite for Company approval.

14. CERTIFICATION AND TEST REPORT

- 14.1 Reports and certifications to accompany the parts with the shipment include: (a) Material Certification. (b) Plating Certification. (c) Special Process Certification. (d) Test Reports. (e) Raw Material Process Certification and Test Reports.

15. DISTRIBUTOR PROVISIONS

- 15.1 Material certifications and/or inspection/test data must be maintained at Distributor's facility and furnished to Company upon request.
- 15.2 Material to be identified and traceable to manufacturer's part number, lot number, date code for all electronic and electrical parts, raw material and mechanical machined parts.
- 15.3 Original Manufacturer's Certificate of Compliance is required with shipment. 15.4 Distributor's Certificate of compliance must identify the original manufacturer and lot number for traceability. The original manufacturer's Certificate of Compliance must be maintained by the Distributor for a minimum of 10 years and be available upon Company's request.

16. SHELF-LIFE PROVISIONS

- 16.1 Where applicable, material supplied on this purchase order shall be accompanied by a Shelf-life Certificate.
- 16.2 The material shall be received with the remaining shelf life greater than the minimum specified on the Purchase Order.

17. INSPECTION PROVISIONS

- 17.1 Contractor is to provide First Article Inspection documentation to AS9102 Standard (Latest Revision) with shipment. The First Article piece should be tagged as such. 17.2 Changes to process, movement of machines or a time of two years has lapsed since an item has been last supplied then a new delta or complete first article needs to be carried out.

18. OTHER PURCHASE ORDER PROVISIONS

- 18.1 Rev items indicated as, ""*"" must be manufactured to the latest documented revision.
- 18.2 All requirements stated on the purchase order that are applicable to sub-tier Contractors, shall be flowed down via purchasing documents, including any key characteristics that have been identified.
- 18.3 Original Manufacturer's Certificate of Compliance is required with shipment. 18.4 Contractor shall maintain Foreign Object Debris/Damage (FOD) prevention program including:
- (a) A review of manufacturing processes to identify and eliminate foreign object entrapment, periodic self-audit
 - (b) The Buyer's right to perform FOD prevention Program audits
 - (c) Periodic self-audit of Contractor's internal FOD prevention practices
 - (d) and to provide periodic FOD training to employees
- 18.5 Items provided on this purchase order have the following lot traceability requirements:
- (a) Each shipment shall only be from one Date Code
 - (b) Components too small to have a Date code marking shall have their packaging identified with the appropriate Date Code marking
- 18.6 The Contractor shall plan, implement, and control processes, appropriate to the Contractor and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to the Company including consideration of :
- (a) training of appropriate persons in the awareness and prevention of counterfeit parts;
 - (b) application of a parts obsolescence monitoring program;
 - (c) controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources;
 - (d) requirements for assuring traceability of parts and components to their original or authorized manufacturers;
 - (e) verification and test methodologies to detect counterfeit parts;
 - (f) monitoring of counterfeit parts reporting from external sources;
 - (g) quarantine and reporting of suspect or detected counterfeit parts. 18.7 All quality records (non-electronic) shall be documented in ink or other permanent marking.
- 18.8 The following must be requested in writing to the Buyer and approved in writing from Company prior to incorporation:
- (a) An anomaly noted in a drawing or specification that could result in a non conformance.
 - (b) Lack of clarity or definition in a drawing or specification.
 - (c) A request for an alternate method to a quality system requirement