

Ferra Engineering Pty Ltd, or its Global subsidiaries, has a policy of working with key suppliers to develop long term mutually beneficial supply relationships. This document set out to define the basic requirement that must be met by supplier organisations for the supply and delivery of goods and/or services to Ferra Engineering. From this base, Ferra would look to maintain and improve the ongoing supply relationship. Ferra seeks to exceed its customers' expectations and our suppliers are integral to achieving this objective. Ferra has established high performance expectations for itself and its suppliers, establishes and measures performance and reward superior performance with ongoing business.

<p><b>1 Acceptance</b>          If the Supplier accepts these conditions in writing or commences any of the work or services, the Supplier will be deemed to have accepted these Conditions in their entirety without modification.</p> <p><b>2 General</b>          Ferra's Order number must be quoted on all documents and correspondence relating to the Purchase Order. A Purchase Order number must accompany verbal orders and a copy of that purchase order is to be received by the Supplier within 48 hrs.          In the conditions of Contract:  <b>"Ferra"</b> means Ferra Engineering Pty Ltd, established 1992 or it's Global subsidiaries;  <b>Contract</b> means the contract between Ferra and the Supplier for the purchase of Supplies on the terms of the Conditions of Purchase;  <b>Goods</b> means the articles, goods, materials or parts thereof to be supplied under the Contract;  <b>Services</b> means the services to be performed under the Contract;  <b>Supplier</b> means the person named on the purchase order who is to supply the Supplies to Ferra, and where the supplier includes more than one person, those persons jointly and severally; and  <b>Supplies</b> mean the Goods and/or Services.  <b>Purchase Order</b> means a written order for Supplies placed by Ferra on the Supplier; such an order will become a Contract upon the Supplier's written (including e-mail) acknowledgement thereof as envisaged in clause 3 below.</p> <p><b>3 Acknowledgement</b>          Purchase orders must be acknowledged and written confirmation received by Ferra within 24 hours of the Supplier receiving their copy of the Purchase Order and Contract. Any queries must be raised before proceeding to execute the order. Acceptance of an Order by the Seller or the performance thereof shall be deemed to be an acceptance of these conditions notwithstanding that the sales order or other documentation of the Seller may contain a condition similar in terms to these conditions.</p> <p><b>4 Delivery</b>          The time of delivery stated is of the essence of the order. Ferra requires 100% on-time delivery. The date specified for delivery is the required delivery date at Ferra's premises (FOB destination), this includes all relevant paperwork requested on the order. When the Supplier expects difficulties in production or sourcing of materials or when circumstances beyond the Supplier's control arise which may affect timely delivery to the required quality the Supplier shall inform Ferra in writing (including e-mail) without delay.</p> <p><b>5 Quantity</b>          Ferra shall not be liable to accept or pay for quantities in excess of those set out in the order and the call-up schedule if any, attached to the Purchase Order, or otherwise requested by Ferra in writing and accepted by the Supplier. Ferra may return to the Supplier any quantities in excess at the Supplier's expense.</p> <p><b>6 Identification</b>          All deliveries must be accompanied by the Suppliers delivery documentation and material certification. All documentation must refer to the Ferra's part number (where applicable), part description, order number and quantity delivered. A Certificate of Conformity certifying that the seller's Quality assurance department has accepted the product/parts must accompany the supplies where applicable. An additional copy must be sent to Ferra Engineering Pty Ltd, 344 New Cleveland Rd, Tingalpa Brisbane, Australia 4173. Failure to comply may result in rejection of the delivery.</p> <p><b>7 Packing and Shipment</b>          All goods must be suitably packed to ensure arrival in good order and condition. Unless otherwise expressly agreed in writing, the cost of delivery agreed in writing, the cost of delivery to Ferra's including boxing, packing, crating, cartage and storage should be borne by the Supplier.</p> <p><b>8 Warranty</b>          Ferra's policy is one of full cost recovery. Ferra demands a control system to ensure:</p> <ul style="list-style-type: none"> <li>That all goods covered by Ferra's order shall conform to the specifications, drawings, samples, symbols or other descriptions provided by Ferra in or referred to in the Purchase Order and shall be merchantable of good material and workmanship, and free from defects.</li> <li>That all goods covered by the Ferra's order and made in accordance with the Supplier's designs, drawings, specifications or other descriptions shall be suitable for the purpose intended, merchantable, of good material and workmanship.</li> </ul> <p>Supplies are warranted to be free from defects in materials provided by the Supplier and in workmanship for a period of 12 months from the date of delivery.</p>	<p>Any defect appearing within the warranty must be reported in writing to the Supplier within 30 days of its discovery. The Supplier will rectify any defect in the Supplies by repair or replacement of defective goods or by re-rendering of defective Services without any charge for labour or materials. All other warranties, express or implied, are hereby excluded to the fullest extent permitted by law.          The warranty is the exclusive remedy of Ferra, whether in tort or otherwise, in respect of defective Supplies.</p> <p><b>9 Provision of Materials</b>          Materials provided by Ferra free of charge shall remain Ferra's property. Such materials must only be applied for the purpose intended by Ferra's order.</p> <p><b>10 Non-conforming Product</b>          Ferra must be notified in writing (including e-mail) about non-conforming product, a concession will be issued if approved by Ferra. The concession number must be referenced on all delivery documentation, the product and package(s) identified as non-conforming.          Seller shall provide written notification to Ferra when a non-conformance is determined to exist, or is suspected to exist, on product already delivered to Ferra. Written notification shall include:</p> <ul style="list-style-type: none"> <li>Affected process/s or product number/s and name/s,</li> <li>Description of the nonconforming condition and the affected engineering requirement (<b>should be &amp; Is</b> condition),</li> <li>Quantities, dates and purchase order numbers of the delivered, and</li> <li>Suspect/affected serial numbers or date codes where applicable.</li> </ul> <p>Notification must occur within three business days of knowing all above information. However for Aerospace purchase orders if the condition creates a possible flight safety risk, submit all available information immediately.          These conditions shall be flowed down by the supplier to its direct suppliers and the sub-tier supply chain.</p> <p><b>11 Requirements</b>          The requirements supplied by Ferra shall flow down to sub-tier suppliers with the applicable requirements in the purchasing documents, including key characteristics where required.</p> <p><b>12 Specification, Design and Scope Changes</b>          Ferra may at any time require the Supplier to implement changes to the specifications or design of the goods or to the scope of the Supplies covered by the Contract, including (but not limited to) work related to inspection, testing or quality control. Such changes shall be reflected in an amendment to the Contract agreed to by the parties in writing (including e-mail). While Ferra will endeavour to discuss any such agreed changes with the Supplier as early as practical, the Supplier will promptly implement such changes.</p> <p><b>13 Termination For Breach or Insolvency</b>          Ferra may terminate the Purchase Order or Contract in whole or in part when the Supplier:</p> <ul style="list-style-type: none"> <li>Fails to deliver the goods and provide the services at the time and place specified in the Purchase order and Contract;</li> <li>Becomes bankrupt or insolvent, or is unable to complete the Purchase Order or Contract; or</li> <li>Fails to Remedy a breach within the time specified in the notice of breach.</li> </ul> <p><b>14 Termination for Convenience</b>          Ferra may at any time give notice in writing to the Supplier to terminate the Contract or any part without cause. In such an event Ferra shall compensate the Supplier for all recurrent and non-recurrent costs and expenses incurred under the Contract up to the date of termination with a reasonable allowance for profit on that part of the Contract performed up to the date of termination.</p> <p><b>15 Quality</b>          The manufacture and supply of the Supplies shall be carried out in accordance with the quality assurance requirements stated on the order. The Seller shall comply with all quality requirements and procedures Ferra specifies in the Purchase Order, as accepted. Any certification requirements stated in the purchase order must be current at time of shipping.</p> <p>The Seller shall promptly notify the Ferra Supplier Quality Representative that supports your facility of any changes in the management representative with assigned responsibility and authority for the quality system.          The Seller shall promptly notify the Ferra SQR that supports your facility of any changes in certification or approval status that affects the seller's ability to meet the conditions of purchase.</p> <p>The seller shall flow down all relevant quality requirements to its direct suppliers and the sub-tier supply chain.</p>
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**16 Right of Access / Audits**

Ferra's representative, its customers & Regulatory authorities shall have the right of access to inspect and evaluate seller's facilities systems, data, equipment, personnel and all completed articles manufactured to fulfil a Ferra purchase order. At all reasonable times for any purpose in connection with the performance by the Supplier of the order and to establish whether the Supplier is capable of meeting and or maintaining specified requirements. The Supplier shall secure the same rights of access to the premises of its subcontractors and flow down these requirements to all sub tier suppliers.

**17 Drawings, Tools and Equipment**

All tools, gauges, jigs, dies and other equipment, drawings, blueprints, specifications, programs, samples and other data ("Materials") provided to the Supplier by Ferra, and any materials which have been or are to be purchased or manufactured by the Supplier for the purpose of manufacturing the goods specified in an order, or for which Ferra has paid or will pay in full or in part, shall be and remain the property of Ferra and shall be deemed to be confidential to Ferra and shall not be disclosed or used by the Supplier or its agents or sub-contractors, except as required by Ferra's order. Upon completion, cancellation or other termination of work under the order, the Supplier shall return all materials together with all copies thereof, and shall thereafter not disclose or make any further use either directly or indirectly of any information derived therefrom without Ferra's prior written consent. Designs of tools, equipment dies etc. shall be subject to approval by Ferra prior to commencement of manufacture thereof.

2. Where any work associated with the carrying out of an order is to be undertaken by any agent or subcontractor of the Supplier, Ferra shall have the right to approve or disapprove any such agent or subcontractor, and the Supplier shall undertake to ensure that any such agent or sub-contractor shall be contractually bound for Ferra's benefit to observe the terms of sub-clause (1) of this clause.
3. All materials held at the Supplier's premises or at the premises of any agent or sub-contractor of the Supplier shall be at the
4. Supplier's risk and shall be insured by the Supplier at the Supplier's expense for current replacement value in respect or loss or damage for any reason whatsoever.

**18 Payment**

Payment Terms are Strictly 30 days EFT from the end of the month in which the goods and or services are received. A Ferra vendor application form is to be completed and provided to Ferra with the relevant EFT details. Basic conditions for timely payment is that the invoice is correctly addressed, quotes Ferra's Purchase Order number and includes all other information that is necessary to Ferra. Ferra may withhold payment for any goods or services until Ferra receives evidence, in such form and detail as Ferra requires, of the absence of any liens, encumbrances and claims on such goods or services.

**19 Indemnity**

The Supplier agrees that it will defend, indemnify and hold harmless Ferra, its officers, employees, and agents (those indemnified) from and against any liability, claims, demands, damages, costs or expenses (including, without limitation, reasonable attorney and other professional fees and disbursements) arising from or in connection with any third party claims or demands to recover for personal injury or death or damage to or loss of property or in respect of defects in the Supplies, all to the extent caused by the negligence or wilful misconduct of the Supplier. The Supplier will, however, not be responsible for consequential or indirect losses suffered by Ferra.

**20 Insurance**

The supplier is required, at its cost, to effect and maintain throughout the term and any additional period the company deems necessary, each of the following insurances (where required by applicable law or as reasonably requested by Ferra), General and Product Liability Insurance, Workers Compensation and Employees Liability Insurance, Supplier's Plant and Equipment, Goods in Transit, Motor Vehicle/Automobile Third Party Liability Insurance, Professional Indemnity Insurance, Marine Insurance and Aviation Insurance, in relation to risks or occurrences arising, or which may arise, out of the performance of the Contract.

**21 Confidentiality**

- The Supplier shall:
- Not use technical and/or proprietary information and the features on tools, gauges, jigs, dies and other equipment, drawings, blueprints, specifications, programs, samples and other data ("Materials") provided to the Supplier except for the purpose of supplying to Ferra.
  - Not grant third parties access to Purchase Order information without prior written consent of Ferra.
  - Return a signed copy of the Non-Disclosure Agreement to Ferra within 48 hours of receiving the document

**22 Force Majeure**

A party will not be liable for any delay or failure to perform any of its obligations under the Contract (other than an obligation to pay money) if as soon as possible after the beginning of the Force Majeure affecting the ability of the Party to perform any of its obligations under the Contract, it gives notice to the other party that complies with the following. A notice given must:

Specify the obligations the party cannot perform;

- Fully describe the Force Majeure
- Estimate the time during which the Force Majeure will continue; and
- Specify the measures proposed to be adopted to remedy or abate Force Majeure

**23 Intellectual Property**

Where Ferra furnishes the design of the supplies any copyright or design rights shall belong to Ferra.

**24 Applicable Law and Jurisdiction**

The laws of the Commonwealth of Australia and the State of Queensland shall govern these Conditions. The parties hereto submit to the jurisdiction of the Queensland Courts

**25 Documentation Storage & Retention**

Seller shall maintain and have available on a timely basis, quality records traceable to the conformance of product/ part numbers delivered to Ferra. Seller shall make such records available to regulatory authorities and Ferra's authorised representatives. Seller shall retain such records for calendar year + 10 years from date of shipment for all product/part numbers under each applicable order unless otherwise stated on the order.

**26 Counterfeit Materials**

The seller/supplier shall ensure that only new and authentic materials are used in materiel delivered to Ferra. The seller/supplier may only purchase materiel directly from original manufacturers, manufacturer franchised distributors, or approved aftermarket manufacturers.

Use of materiel that was not provided by these sources is not authorized unless first approved in writing by Ferra.

This clause is applicable to all contracts for Qualified Products List (QPL) or Qualified Manufacturers List (QML), - controlled materiel.

If suspect/counterfeit materiel is furnished under this purchase agreement, such items shall be impounded. The seller/supplier shall promptly replace such items with items acceptable to Ferra and the seller/supplier may be liable for all costs relating to impoundment, removal, and replacement. Ferra may turn such items over to Authority Having Jurisdiction for investigation and reserves the right to withhold payment for the suspect items pending results of the investigation.

**Please indicate your agreement by signature in the space provided below.**

**Ferra Engineering Pty Ltd**

**Mark Scherrer  
 CEO**

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**Signature:**

**Name:**

**Title/Position:**

**Date:**

**Company:**