

## Purchase Order Terms and Conditions

Jet Aviation Australia suppliers play a critical role in our ability to operate and provide products and services to our customers. To protect our reputation and perform with integrity, we must choose our suppliers carefully, based on merit and with the expectation and requirement that our suppliers will act in a manner consistent with our compliance and ethics standards.

These Purchase Order Terms and Conditions together with its purchase order(s), is a binding agreement between Jet Aviation Australia (**JAA**) and Supplier.

### 1 Definitions and Interpretation

1.1 In this Order, unless the context otherwise requires:

**Agreement** is defined in clause 2.2.

**Fees** mean the fees as specified in the Order.

**Goods** mean the goods purchased by JAA from Supplier, as specified in the Order, together with any manuals, user guides, manufacturer warranties and any other materials.

**GST Law** means *A New Tax System (Goods and Services Tax) Act 1999* and related tax imposition Acts of the Commonwealth of Australia.

**Jet Aviation Australia** means Jet Aviation Australia Pty Ltd ACN 001 540 316 or as applicable, a related body corporate (as defined in the *Corporations Act 2001 (Cth)*), and shall unless the context otherwise requires, include its directors, employees, agents, independent contractors and sub-contractors.

**Order** means the purchase order to which these Purchase Order Terms and Conditions apply.

**Specifications** mean the specifications specified in the Order, or otherwise supplied by JAA to the Supplier.

**Supplier** means the supplier of the Goods, as specified in the Order.

1.2 In this Agreement, unless the context otherwise requires:

- (a) "including" and similar words do not imply any limitation;
- (b) a reference to "\$" or "dollars" is a reference to Australian currency;
- (c) references to any party includes that party's executors, administrators, substitutes, successors and permitted assigns; and
- (d) references to statutes include all statutes amending, consolidating or replacing such statutes.

### 2 Orders

2.1 JAA may order Goods from Supplier by issuing an Order to Supplier, and Supplier must acknowledge receipt of the Order within 3 business days.

2.2 An agreement is formed when Supplier accepts the Order pursuant to clause 2.1, and consists of, in order of precedence, the Order and these Purchase Order Terms and Conditions (**Agreement**).

2.3 The Supplier must provide the Goods in accordance with the Specifications, time being of the essence.

2.4 JAA may make any reasonable changes to the Order as required.

- 2.5 Supplier may not make any:
- (a) changes to the Order (including adjustments of the Fees, quantity and delivery date); or
  - (b) substitutions to the Goods, without JAA's prior written consent.
- 2.6 All tooling purchased or manufactured for this Order will become the property of JAA and must not be used for any other purpose without prior written approval from JAA.
- 2.7 Any goods ordered must comply with local Work Health and safety laws and regulations.

### 3 Delivery and Returns

- 3.1 Packing or delivery charges will not be paid by JAA unless specified in the Order. JAA has the right to cancel the Order in whole or part if the Goods are not delivered at the place and by the time specified in the Order.
- 3.2 Unless otherwise specified, delivery must be made within 30 days of the date of the Order and time will be of the essence.
- 3.3 No quantity over and above that requested on the Order will be accepted without JAA's prior written authority. Any unauthorized excess will be rejected.
- 3.4 All Goods must be accompanied by a covering delivery note and relevant regulatory documentation where applicable, clearly showing the Order number, quantity and Supplier's name. JAA may reject the Goods if this clause 3.4 is not satisfied.

### 4 Title and Risk

- 4.1 Title in the Goods passes to JAA upon payment of the Fees or delivery, whichever is earlier.
- 4.2 Risk in the Goods will pass to JAA upon delivery to JAA.

### 5 Rejected Goods

- 5.1 JAA may reject any Goods not complying with the Order and the Specifications, by notifying Supplier of such rejection in writing.
- 5.2 Rejected Goods will be held at JAA's warehouse, at the Supplier's risk and if not collected or return instructions provided within a 14 days of JAA's notice pursuant to clause 5.1, the Goods will be returned at the Supplier's expense.
- 5.3 Rejected Goods are subject to credit or replacement at JAA's option.

### 6 Fees and Payment

- 6.1 The Fees are fixed and include all packaging and delivery costs to JAA nominated address.
- 6.2 JAA will pay the Fees within 30 days of the date of Supplier's invoice, unless otherwise agreed between the parties.

- 6.3 All amounts payable under this Agreement are expressed on a GST exclusive basis. If GST is payable in relation to a Taxable Supply, the amount payable for that Taxable Supply is the amount for that Taxable Supply specified in this Agreement plus GST. The parties must provide each other with all documentation required to claim any Input Tax Credit, set off, rebate or refund for or in relation to any GST included in any payment made under this Contract. In this clause 6.3, the terms "GST", "Taxable Supply", "Input Tax Credit" and "Tax Invoice" have the meaning given in the GST Law.

## 7 Warranties

- 7.1 Supplier warrants to JAA that:

- (a) it has all necessary right, title, licence and authority to enter into this Agreement and to perform all its obligations under this Agreement;
- (b) the Supplier's performance of its obligations under this Agreement does not breach any rule, regulation or law;
- (c) it has not infringed the intellectual property rights of any third party;(d)the Goods are free of all liens and encumbrances;
- (d) the Goods are of acceptable quality; and
- (e) the Goods will comply with the Specifications.

- 7.2 If the Goods do not comply with the warranties specified under clause 7.1, Supplier must, at JAA's sole discretion:

- (a) refund, repair or resupply the Goods; or
- (b) pay for the Goods to be repaired or resupplied.

## 8 Indemnity

- 8.1 Supplier agrees to save, indemnify, defend and hold harmless JAA against any action, claim, proceeding, demand, damages, cost, expense liability or loss (including costs on a solicitor/client basis), which JAA may suffer or incur arising out of or in connection with this Agreement.

## 9 Termination

- 9.1 JAA may terminate an Order in whole or in party, at any time, for any reason, by written notice to Supplier.
- 9.2 Upon receipt of the notice specified in clause 9.1, Supplier will, unless otherwise directed, immediately discontinue all work in connection with the performance of this Agreement.
- 9.3 Upon termination, JAA will have no liability to Supplier except for all direct costs incurred up to the date of termination date for material purchased, delivered and accepted by JAA prior to Supplier's receipt of the notice of termination.

## 10 General

- 10.1 This Agreement contains the entire understanding between the parties concerning the subject matter of the Agreement and supersedes all prior communications.
- 10.2 Nothing in this Agreement will be taken as giving rise to a relationship of employment, agency or partnership.

- 10.3 This Agreement cannot be varied except in writing and signed by the parties.
- 10.4 The failure of either party to enforce any provisions under this Agreement will not waive the right of such party thereafter to enforce any such provisions.
- 10.5 If any term or provision of this Agreement is held by a court to be illegal, invalid or unenforceable under the applicable law, that term or provision will be severed from this Agreement and the remaining terms and conditions will be unaffected.
- 10.6 This Agreement is governed by, and construed in accordance with the laws of New South Wales. The parties agree to submit to the non-exclusive jurisdiction of the courts of New South Wales. The provisions of the United Nations Convention on Contracts for the International Sale of Goods are expressly excluded from this Agreement.

#### 11 Additional Quality Requirements for Aerospace and Defense Products and Materials

The following are mandatory general requirements are expected from all suppliers.

- 11.1 **Applicability:** All suppliers are to fully comply with the stated requirements of these Purchase Order Terms and Conditions for all aerospace and defense-related contracts
- 11.2 **Behavior Policy:** JAA request that all suppliers operate and conduct their business activities in an appropriate manner ensuring that all their employees and supply chain act in an ethical and morally acceptable manner, which includes adherence to national & international laws and regulations and contribution to product safety and product and service conformity. JAA also requires your staff and persons within your supply chain to conduct their roles and responsibilities in an ethical manner and that you ensure they are competent and or certified (where required) to carry out the statement of work defined in an Order.
- 11.3 **Right of Access.** Suppliers shall provide reasonable access to premises, manufacturing records and facilities for Jet Aviation Australia, its end customers and regulatory authorities for co-operation on product, process and business issues.
- 11.4 **Notification of Organization Changes & Non-Conforming Product.** Changes to the supplier's organization that may affect quality, delivery and/or finance, shall be notified in advance to JAA. These changes may include; company ownership, company name, manufacturing location, quality approvals, significant changes to process, changes of external providers or inspection techniques. Any identified non-conforming product issues, either shipped or in-house at the supplier, shall be immediately notified to JAA. The supplier may not undertake any repair or modification without JAA's written instructions. The supplier must notify JAA for its approval of any release of new products and services.
- 11.5 **Quality Management System (QMS) documentation.** The supplier shall establish and maintain a clearly documented quality system that provides a means of ensuring that products conform to specified requirements, which may include the use of statistical techniques for product acceptance and related instructions for acceptance by JAA. This system shall control the issue and development of drawings, specifications, procedures. etc. Provision shall be made for the control of obsolete copies and their subsequent archiving and disposal. All records pertaining to quality shall be stored and maintained in a legible form for a minimum of 10 years. Specific projects and/or regulatory bodies may require longer retention periods and this will be notified in advance to the supplier. JAA has the right to control and monitor your performance, methods, processes and equipment.

11.6 Additional QMS requirements specific to the supply of aerospace and defense parts and materials include provisions to:

- (a) prevent Foreign Object Damage in any part, process, material, or packaging;
- (b) a process to prevent, detect, and notify JAA of any unapproved, suspect unapproved or counterfeit parts or materials;
- (c) ensuring personnel have an understanding of their impact or potential impact to product safety and conformity of the aerospace defense products within their statement of work; and
- (d) adhering to all Order stated special instructions. The Order is the controlling document and will communicate any specific contract, customer requirements. Any such changes communicated to the supplier must be confirmed by JAA's amended Order.

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