

MINCHAM

TERMS AND CONDITIONS

Mincham Aviation Pty Ltd

A.B.N: 60113120040

Trading As: *Mincham*

<http://www.mincham.com.au>

Business Philosophy:

It is important that Mincham Aviation is seen by its clients to be at the pinnacle of our industry. A company bound by the highest quality, standard of service and code of ethics. This is reflected by our work force in our attitudes to customers and suppliers. We encourage a team approach in all that we do and exhibit a “can do” attitude.

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Section 1- Common

1 Purpose

- 1.1. The purpose of this document is to define the terms and conditions of trade by which Mincham Aviation, its customers and suppliers shall abide, unless otherwise agreed.

2 Definitions

For the purpose of these terms and conditions and unless the context otherwise requires:

- "services" means labour and/or equipment hire, whether MA resources or provided under sub contract to MA.
- "goods" means equipment, parts, materials, software, drawings, reports or any deliverable supplied to the Customer.
- "contract" includes these General Terms and Conditions, appendices, specifications and any other documents referred to in the agreement as constituting the Contract means the contract formed upon acceptance by the Customer of the MA quotation.
- "delivery" means the supply of services or goods.

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- "technical data" means any data, design, specification, drawings, computer software, calculations, models, instruction, manual or handbook.
- "customer" means any company, sole trader, partnership or limited partnership that has been approved by MA to receive goods or services from MA and shall, where the context permits, include the officers, employees, agents and authorised subcontractors of the Customer.
- "intellectual property" includes all copyright and neighbouring rights, all rights in relation to inventions (including patent rights), registered and unregistered trademarks (including service marks), registered designs, confidential information (including trade secrets and know-how) and circuit layouts, all other rights resulting from intellectual activity in the industrial scientific or artistic fields.
- "confidential information" means information that:
 - is by its nature confidential,
 - is designated by MA as confidential, or
 - the Customer knows or ought to know is confidential,
 - but does not include information which:
 - is or becomes public knowledge other than by breach of this Contract or by any other unlawful means,
 - is in the possession of the Customer without restriction in relation to disclosure before the date of receipt from MA, or
 - has been independently developed or acquired by the Customer.

3 Law

These terms and conditions shall be governed by, and construed in accordance with, the laws of the State of South Australia.

Section 2 - Vendee Terms & Conditions

1 General

- 1.1 These terms and conditions apply to the sale of services and goods by Mincham Aviation (hereafter known as MA) and all offers made by MA in relation to MA services and goods, unless varied, amended or cancelled in writing and signed by an authorised representative of MA.
- 1.2 The Customer of MA services or goods are deemed to have accepted the terms and conditions contained herein by placing an order with MA.
- 1.3 MA failure to object to any term or condition contained in any communication, whether written or oral, from the Customer, shall not be deemed a waiver of MA terms and conditions.
- 1.4 If there is inconsistency between these terms and conditions and the terms and conditions of any particular offer or communication by or from the Customer, these terms and conditions shall prevail to the extent of the inconsistency.

2 Customer Orders

- 2.1 MA may require the customer to place written orders for MA services or goods. All orders submitted by the Customer must be on terms acceptable to MA.
- 2.2 The Customer shall not cancel an order without the prior written consent of MA; such consent will be at the sole discretion of MA. MA may, as a condition of cancellation, require payment by the Customer of a cancellation fee of an amount to be determined by MA within its reasonable discretion to compensate MA for the loss suffered by MA arising out of the cancellation.
- 2.3 GST will be charged and payable by the customer to MA, except where regularly provisions allow.

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3 Mincham Aviation Quotations

- 3.1 These terms and conditions apply to the sale of services and goods by Mincham Aviation (hereafter known as MA) and all offers made by MA in relation to MA services and goods, unless varied, amended or cancelled in writing and signed by an authorised representative of MA.
- 3.2 Subject to Section 3.5, and unless otherwise specified by MA in writing at the time of the quotation, all quotations made by MA are valid for the period specified in the quotations, or if no such period is specified, for a period of thirty (30) days from the date of the quotation. Following the expiration of this period, each quotation is subject to written confirmation by MA.
- 3.3 Any goods offered ex-stock by MA are subject to prior sale.
- 3.4 Any quotation is subject to withdrawal or amendment by MA at any time prior to acceptance by the Customer.

4 Prices & Terms of Payment

- 4.1 Unless otherwise stated in writing, all prices are in Australian Dollars.
- 4.2 Subject to clause 4.5, and unless otherwise specified in writing, all invoices from MA shall be paid in full no later than thirty (30) days from the date of invoice. Time shall be the essence in this regard.
- 4.3 If the customer has any queries or objection relating to any invoice submitted by MA, then such query must be raised by the customer in writing with MA within 30 days after the date of such invoice and if no such query is raised then the customer shall for all purposes be deemed to have accepted the invoice as a fair and proper charge for the goods.
- 4.4 Where the quotation is for supply of goods to be purchased by MA for the Customer, the price quoted is calculated on the basis of the price charged by the supplier, the rate of exchange, customs duty, freight insurance, sales tax, administrative costs and other similar charges as applicable at the date of quotation; and any increase therein shall be to the account of the Customer. All prices for goods are EX WORKS MA unless otherwise agreed in writing.
- 4.5 MA shall be entitled to invoice for services or goods supplied to the Customer upon delivery thereof, subject to contrary agreement in writing, provided that if delivery of goods is delayed as a result of circumstances beyond the reasonable control of MA, including the circumstances set out in sections 6. and 7., then MA shall be entitled to invoice the Customer for the goods at the expiration of thirty (30) days after notification by MA to the Customer that the goods are ready for delivery in which event payment of one hundred per cent (100%) of the agreed price for the goods referred to in that notice shall fall immediately due and payable.
- 4.6 In the event the Customer fails to make a payment to MA when payment falls due, MA shall have the right, without prejudice to any other right or remedy to which MA may be entitled, to charge compound interest on the overdue amount at the a rate not exceeding two per cent (2%) more than the current overdraft rate applicable to MA one and one half per cent (1.5%) per calendar month from the date of the invoice.
- 4.7 In the event that a Customer's account exceeds payment terms to MA by more than fifteen (15) days, MA shall have the right, without prejudice to any other right or remedy to which MA may be entitled, to suspend all credit until overdue amounts are paid,
- 4.8 Where the contract provides for delivery by instalments, payment by the due date in respect of instalments delivered is a condition precedent to delivery by MA of further instalments.

5 Delivery

- 5.1 All times quoted for delivery are estimates only and MA shall not be liable for any loss or damage, direct or consequential, arising from failure to deliver or delay in delivery, attributable to any cause beyond its reasonable control, including, but not limited to instructions, or lack of instructions from the Customer, strikes, lockouts, war, fire, accidents, delay in transport, defective material or any delay due to force majeure. The Customer shall not be relieved of any obligation to accept or pay for services or goods by reason of any delay in delivery.

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- 5.2 Extra costs incurred by MA due to cessation of work or increased effort by MA resulting from Customers instructions, or lack thereof, mistakes or interruptions for which MA is not responsible shall be reimbursed by the Customer to MA on demand.
- 5.3 No goods delivered under the contract may be returned to MA for credit without MA express consent in writing save in the case of breach of a mandatory implied condition in a consumer sale. If the customer elects to return the goods supplied or cancel orders for goods then MA reserves the right to charge a fee based upon the costs incurred in handling, packaging and restocking of such goods.
- 5.4 All goods sold to the customer shall be at the Customer's risk immediately upon delivery to the Customer, which for the purposes of these conditions is deemed to be effected once the goods are despatched from MA or an MA subcontractor premises to the Customer.
- 5.5 The customer shall have in effect and maintain insurance against all risk of loss or damage to the goods on and from the date of delivery.
- 5.6 Notwithstanding the provisions of clause 5.4, MA shall retain title to all goods supplied to the Customer until full payment is received for those goods.
- 5.7 In the event that any of the goods are incorporated into or attached to, or mixed with, other goods by the Customer, so that they are no longer identifiable or separable, then title to the composite goods shall vest in and be retained by MA in accordance with clause 5.6 5.5.
- 5.8 Until payment has been made in full title to all goods remains vested with MA in accordance with clause 5.6:
 - 5.8.1 The Customer shall hold the goods as bailee and as a fiduciary for MA and shall securely store same separately from the customer's other goods so as to clearly identify the goods as being the property of MA; and
 - 5.8.2 The Customer is authorised to sell the Goods but shall hold all debts and proceeds of sales on trust for MA and shall account to MA for any overdue amount from the sale proceeds, and at the request of MA shall assign all debts arising from such sale.
- 5.9 The Customer's right to possession of the goods shall cease if the customer:
 - 5.9.1 fails to make payment of any amount outstanding due to MA; or
 - 5.9.2 commits an act of bankruptcy or is declared insolvent or, if a company, the customer does or omits to do anything which entitles the customer or any person to appoint a liquidator or receiver or receiver and manager, an external administrator pursuant to any Part of Chapter 5 of the Corporations Law; or
 - 5.9.3 enters into some arrangement for the benefit of creditors; and MA shall be entitled to require the customer to return the goods failing which MA is irrevocably authorised to enter the customer's premises to repossess the goods or goods to the equivalent value without notice.

6 Warranty & Liability

- 6.1 MA warrants to the Customer that, under proper use in accordance with MA and/or the manufacturer's specifications and instructions (if any) the goods will be free from defects solely due to faulty workmanship and materials for a period of six months unless otherwise agreed in writing provided that:
 - a. the goods or any part thereof are not, and have not been, without MA consent, altered, repaired or subjected to any technical attention by any person other than those authorised by MA.
 - b. the provisions of this section may be varied or replaced by specific warranty conditions issued in respect of particular goods, and
 - c. this warranty does not cover damage due to normal wear and tear, improper installation or application, misuse or neglect or where goods have been subjected to operating or environmental conditions in excess of maximum value in the applicable specification.

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6.2 To the extent permitted by law, MA shall not be liable, nor shall there be remedy against MA in respect of any claim, whether contractual, tortious, statutory or otherwise, for any loss, damage, costs, expenses or other injury or harm suffered by the Customer or any other person in relation to or arising out of use of the goods or in relation to or arising out of services supplied to the Customer, including but not limited to, loss of profits, loss of business, unavailability of goods or losses arising from claims by third parties.

7 Insolvency of Purchaser

7.1 Except where a confirmed and irrevocable banker's commercial credit has been arranged for the whole of the contract price, MA shall have the right to terminate the contract at its option if the Customer becomes bankrupt or insolvent or makes any arrangement with the Customer's creditors or suffers a receiver to be appointed or, being a body corporate, enters into liquidation, in any of which events, MA shall thenceforth cease to have any further obligation under the contract and the price for all goods purchased or delivered or services performed to that time shall immediately become due and payable notwithstanding the prior grant of credit terms.

8 Infringements of Intellectual and Industrial Property rights

8.1 The Customer acknowledges responsibility with respect to all matters relating to trade mark, trade name, patent, copyright, registered design or any other intellectual or industrial property rights of MA and third parties.

8.2 Where MA has followed a design, sample or instruction furnished or given by the Customer, the Customer shall indemnify MA against all damages, penalties, costs and expenses to which it may become liable through any work required to be done in accordance with those instructions involving infringement of a patent, trade mark, trade name, copyright, registered design or common law right.

9 Ownership of Intellectual Property

9.1 Unless otherwise agreed in writing, all copyright and other Intellectual Property rights in goods, design and technical data, whether expressly developed for the purposes of the Contract or not, remain vested in MA.

Section 3 - Vendor / Sub-Contractor Terms & Conditions

1 General

- 1.1 The goods or services are to be delivered to our works or depots as ordered. They must be delivered in good order and condition and exactly in accordance with our Order or any Specification mentioned in our order.
- 1.2 Goods or services described in our order will not be accepted until the company has, within a reasonable period after delivery, inspected and tested the same.
- 1.3 We reserve the right for us or our customer to verify at source, or upon inspection in our works; the purchased product conforms to the specified requirements. Such verification does not absolve the supplier of the responsibility to provide an acceptable product nor shall it preclude subsequent rejection.
- 1.4 No charge will be allowed for wrapping, containers, boxing or cartage, unless stated herein.
- 1.5 All articles shall be suitably packed or otherwise prepared for transportation so as to secure the lowest transport and insurance rates and in accordance with carrier's requirement.
- 1.6 No delivery charges will be accepted unless the Transport Company nominated by Mincham Aviation is carrying the goods.

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- 1.7 The parties have agreed to the delivery dates established on the purchase order. We may at our sole discretion agree to accept deliveries after the date established on the purchase order. We may in such an instance hold Seller responsible for all costs occasioned to us as a result of late delivery which may include any reasonable additional cost to us resulting from expediting shipment. Any such acceptance of late deliveries shall be at such reduction in price as is equitable under the circumstances unless such late delivery arises out of causes beyond the control and without the fault or negligence of Seller and or the selected contractor. Acceptance of late deliveries shall not relieve Seller of the obligation to make future deliveries in accordance with the delivery schedule established within the purchase order. Notwithstanding the above, we reserve the right to cancel our order or any part thereof in the event of late deliveries.
- 1.8 All tools, gauges, jigs and other equipment, drawings and specifications supplied to the Seller by Purchaser or manufactured or purchased by the Seller solely for the purpose of manufacturing the goods hereby ordered shall be the sole property of the Purchaser.
- 1.9 All our property such as is mentioned in Clause 1.8 hereof must be fully insured by the acceptor of our Order against all risk of whatsoever nature until they have been received back by us.
- 1.10 Title to goods passes to us upon payment of contract price. Where progress payments are made then title to the materials and labour costs passes to us. Risk shall remain with you until delivery of goods to the nominated delivery point.
- 1.11 By accepting our Order the Seller agrees to indemnify the Purchaser against all suits, costs and expenses in respect of any bodily injury to persons and/or loss of or damage to property, actual infringement of any letters, patent, trademarks or process of manufacture in respect of the articles hereby ordered. If a judgement of a court competent jurisdiction is obtained in respect of any such infringement the purchaser may forthwith cancel our contract.
- 1.12 Payment terms: 45 days proxy from end of month in which goods or services received unless specifically agreed to in writing. Subject to conditions 1-11.

2 AS9100 & CASA Special requirements.

- 2.1 These terms and conditions are additional to the standard Mincham Aviation terms and conditions in sections 1-2 & 3 General.
- 2.2 Supplier shall **flow down** to sub-tier suppliers the applicable requirements in the purchasing documents.
- 2.3 Supplier shall establish and maintain records to provide Objective Quality Evidence of conformity to purchasing requirements and of the effective operation of the supplier's quality management system.
- 2.4 Unless stated otherwise in the purchase order, at a minimum, each quality record is to be maintained for at least seven years.
- 2.5 Records shall be available for review by Mincham Aviation, its customers and regulatory authorities, as required.
- 2.6 Suppliers are to provide their procedures for controlling relevant records to Mincham Aviation's purchasing for review by the Purchasing Manager.
- 2.7 Supplier shall notify Mincham Aviation of nonconforming product or process prior to delivery and await for Mincham Aviation's approval of supplier nonconforming product.
- 2.8 Supplier shall maintain Objective Quality Evidence of Mincham Aviation's approval of supplier nonconforming product. The supplier organization shall take action to determine and eliminate the cause of nonconformities in order to prevent reoccurrence and to provide Objective Quality Evidence to Mincham Aviation, and/or our customers, assuring them of the quality of delivered goods.
- 2.9 If it becomes evident that non-conforming product has been inadvertently released to Mincham Aviation then Mincham Aviation requires to be notified within 24 hours of such a discovery.
- 2.10 Supplier shall notify Mincham Aviation of any changes in the product and/or process used in the manufacture of the product. Mincham Aviation reserves the right for approval of the

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product, the parts used, the materials used, the procedures used and the equipment used by the Supplier in fulfilling the Purchase Order requirements.

- 2.11 Supplier shall provide Certificates of Conformity for product delivered,
 - Including the parts used,
 - the materials used,
 - the procedures used the equipment used in fulfilment of the Purchase Order requirements.
- 2.12 Mincham Aviation, its customers, and regulatory authorities shall be granted the right of access to all supplier and sub-tier supplier facilities and records involved in fulfilling the Purchase Order requirements.
- 2.13 All items of this purchase order are subject to in-process quality surveillance by Mincham Aviation and/or its customer.
- 2.14 At any time, Mincham Aviation may notify the supplier of specific requests for on-site surveillance. Mincham Aviation reserves the right to request the opportunity to witness any actions in support of this order.
- 2.15 The supplier shall provide no less than three business days advance notification to Mincham Aviation's procurement representative before items are ready for any requested Mincham Aviation source surveillance.
- 2.16 The supplier shall not proceed without Mincham Aviation present or without Mincham Aviation QA written authorization to proceed.
- 2.17 The supplier shall provide reasonable facilities and assistance, including all quality records and related data for contracted goods, upon request.
 - Certification/ Test Report Provisions
 - Material Certification is required to accompany the part(s) with the shipment.
 - Plating Certification is required to accompany the part(s) with the shipment.
 - Special Process Certification is required to accompany the part(s) with the shipment.
 - Test Reports required with the shipment.
 - Raw Material Process Certification and Test Reports required with the shipment.

3 Distributor Provisions

- 3.1 Material certifications and/or inspection/test data must be maintained at Distributor's facility and furnished to Mincham Aviation upon request.
- 3.2 Material to be identified and traceable to manufacturer's part number, lot number, date code for all electronic and electrical parts, raw material, mechanical machined parts, etc.
- 3.3 Original Manufacturer's Certificate of Compliance is required with shipment.
- 3.4 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 Mincham Aviation's request.

4 Electronic Assemblies

- 4.1 Parts used are to be ESD controlled per ANSI/ESD S20.20-2007, ESD Association standard for the Development of an Electrostatic Discharge. Control Program for Protections of Electrical and Electronic Parts, Assemblies and Equipment.
- 4.2 Suppliers are required to have an ESD Control Program Plan - recommended guidelines per ANSI/ESD S20.20-2007.
- 4.3 Suppliers are required to have a Foreign Object Debris (FOD) Control Program Plan.
- 4.4 Electrostatic discharge sensitive materials must be packaged in proper ESD protective packing, identified with the proper ESD Labels, and receiving paperwork must not be placed inside the ESD bags with the components. Class 0 components are to be marked as such.
- 4.5 Soldering materials, processes used and cleanliness requirements shall be in accordance with ANSI/J-STD-001, Class 3, Requirements for Soldered Electrical and Electronic Assemblies.
- 4.6 Workmanship shall be inspected and certified to conform to the requirements specified by IPC-A-610, Acceptability of Electronics Assemblies

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5 FAR/ DFAR Flow down Provisions

Where called out the seller must comply and flow down DFAR clause 252.225-7014: Preference for Domestic Specialty Metals (latest Rev) and Alternate 1 (latest revision).

6 Inspection Provisions

- 6.1 Supplier is to provide First Article Inspection documentation to AS9102 Standard (Latest Revision) with shipment.
- 6.2 The First Article piece should be tagged as such.
- 6.3 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.

7 Purchase Order Provisions

- 7.1 Rev items indicated as, "***" must be manufactured to the latest documented revision.
- 7.2 All requirements stated on the purchase order that are applicable to sub-tier suppliers, shall be flowed down via purchasing documents, including any key characteristics that have been identified.
- 7.3 Original Manufacturer's Certificate of Compliance is required with shipment.
- 7.4 Supplier shall maintain Foreign Object Debris/Damage (FOD) prevention program including:
 - A review of manufacturing processes to identify and eliminate foreign object entrapment, periodic self-audit
 - The Buyer's right to perform FOD prevention Program audits
 - Periodic self-audit of supplier's internal FOD prevention practices
 - And to provide periodic FOD training to employees
- 7.5 IPC/EIA-J-STD-001 (Latest Revision) Requirement for soldered electrical and electronic assemblies, Class 3 is required.
- 7.6 Items provided on this purchase order have the following lot traceability requirements:
 - Each shipment shall only be from one Date Code marking if applicable
 - Components too small to have a Date code marking shall have their packaging identified with the appropriate Date Code marking if applicable

8 Shelf-life Provisions

- 8.1 The material supplied on this purchase order shall be accompanied by a shelf-life Certificate.
- 8.2 The material shall be received with the remaining shelf life greater than the minimum specified on the Purchase Order.

9 Unique to Purchase Order

- 9.1 Special process suppliers (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 Mincham Aviation approval, unless otherwise approved in writing by Mincham Aviation.
- 9.2 All quality records (non-electronic) shall be documented in ink or other permanent marking.

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9.3 The following must be requested in writing to the Buyer and approved in writing from Mincham Aviation prior to incorporation:

- An anomaly noted in a drawing or specification that could result in a non-conformance.
- Lack of clarity or definition in a drawing or specification.
- A request for an alternate method to a quality system requirement.

9.4 All electrical piece parts shall have a Certificate of Compliance and be purchased direct from vendor or authorized distributor. Authorized piece part distributors or the OEM shall be used as source of supply