

Conditions of Purchase

1. Definitions

“Purchaser” means LTQ Engineering Pty Limited (ACN 106 473 965).

“Supplier” means the person, firm or corporation from whom goods or services are ordered by this document.

“Service” shall include repair, overhaul, rectification, the maintenance, modification, replacement or like activities. Words in the singular include the plural and vice versa.

2. Contract and Acceptance

This Purchase Order constitutes the entire contract between the parties and supersedes all previous communication and negotiations. Acknowledgement of this Order must be in writing quoting applicable price and delivery details. No terms stated by the Supplier in accepting or acknowledging this Order shall be binding upon the Purchaser unless expressly accepted in writing by the Purchaser. The Supplier must not assign this Order without the Purchaser's prior written consent. This Order when properly signed and bearing an Order number is the only document which would be recognised by the Purchaser as the authority for charging goods and services to the account. These terms and conditions prevail over any inconsistent terms in any document of the seller

3. Variation

The terms of this contract shall not be varied except by a written “Amendment to Purchase Order” signed on behalf of both parties and any variation made otherwise shall not be binding.

4. Certification Requirements

Acceptance by the Purchaser will (where appropriate) be conditional upon receipt by the Purchaser of:

- i. with respect to suppliers in Australia - the appropriate certification documentation under the Air Navigation Orders, part 100.4:
- ii. with respect to suppliers in USA and UK – the appropriate FAA or CAA (whichever is applicable) recognised certification documentation, process and condition report or certificate of inspection specifically identifying any items subject of this order, the work carried out, modifications incorporated, the associated reference data or drawings and a signed statement that the item is serviceable with respect to the work performed or that the work specified in the Purchase Order has been completed.
- iii. with respect to suppliers in any country other than Australia, UK or USA. – suitable documentation as required by the Aviation Airworthiness Authority of the country in which any or all of the items of this order are carried out.

5. Quantity

The quantity of goods delivered shall not be greater than the amount specified. The Purchaser may return excess quantities to the supplier at the supplier's expense.

6. Inspection

The Supplier agrees that the Purchaser or its authorised agent shall have the right of inspection at any stage of manufacture or service and shall have the right to reject any works or goods or work carried out that does not conform to this order whereupon the supplier shall replace the goods or redo the works rejected at no additional cost to the Purchaser. Inspection in progress shall not release the supplier of any obligation contained herein. Goods purchased or items serviced under this order will be subject to further inspection and approval by Purchaser upon delivery. Any goods or serviced items which do not comply with this order or which contain defective material or workmanship may be rejected by the Purchaser. The Purchaser may hold for Supplier's instruction any goods or items so rejected or may return them to the Supplier at the Supplier's expense.

7. Terms of Payment

Payment will be made upon receipt of documents as specified in paragraph 8 and 9 and subject to the terms specified on the face of this document and may only be varied by the consent in writing of Purchaser.

8. Invoicing and Documentation applicable to Overseas Orders.

All Suppliers must forward the goods or serviced items in accordance with the instructions as detailed on the face of the Purchase Order. All documents must include an applicable LTQ Engineering Purchase Order Number. The Supplier will provide appropriate documentation as specified below for each consignment unless otherwise directed in writing by the Purchaser.

- a) Post via email to :
For International Suppliers
LTQ Engineering Pty Limited
Accounts Payable
70-90Garden Drive
Tullamarine, Vic 3043
Australia.
 - (i) two copies of commercial invoice for payment
 - (ii) one copy evidence of inland shipment
- b) Airfreight Consignments
 - (i) in addition to the requirements laid down in (a) above, four copies of commercial invoice are to be attached to the Airwaybill
 - (ii) one copy documentation or certification described in paragraph 4 to be included in package or case with packing list.
- c) Seafreight Consignments
 - (i) apply to the freight forwarder nominated on the face hereof and give the following detail: contents, value, case size and weight.

(ii) one copy of documentation or certification described in paragraph 4 to be included in package or case with packing list.

- d) With the goods to the address nominated on the face of this order.
- (i) three copies Commercial Invoice
 - (ii) one copy evidence of inland shipment
 - (iii) three copies Packing List
 - (iv) one copy documentation or certification described in paragraph 4.

9. Invoicing and Documentation Application to Australian Orders

All goods or serviced items must be forwarded in accordance with instruction as detailed on the face of this order. The Supplier will provide appropriate documentation as specified below for each consignment, unless otherwise directed in writing by the Purchaser. All documents must include an applicable LTQ Engineering Purchase Order Number, Part Number, Description and Quantity of Goods delivered.

- (a) Where a "Forward to" address is specified on the face hereof:
- (i) Invoice should be marked:
Attention: Accounts Payable
LTQ Engineering Pty Limited
70-90 Garden Drive
Tullamarine, Vic. 3043
Australia.
 - (ii) one copy of Commercial Invoice.
- (b) Where a "Deliver to" address is specified on the face hereof:
- (i) one copy of the Suppliers Delivery Docket.

10. Purchaser's Property

- (a) All equipment including without limitation, tools, gauges and jigs and any design data (including without limitation samples, blueprints and specifications) furnished by the Purchaser to Supplier, whether or not the Supplier has been charged for the same, and any of such as has been manufactured or purchased by the Supplier and for which the Purchaser shall have paid, shall be the sole property of the Purchaser. Any such design data or any substantial portion or description thereof are not to be produced or reproduced in any material form without authority in writing by the Purchaser. Upon conclusion or cancellation of this Order, the Supplier shall hand to the Purchaser any finished or unfinished work relevant to this Order and such equipment and design data as aforesaid.
- (b) The Supplier will not during the continuance of this Order or at any time thereafter manufacture any goods, the subject of any design data furnished by the Purchaser to the Supplier for commercial use other than to the order of the Purchaser nor furnish to any third party any such goods or samples.

11. Termination

- (a) If the Supplier becomes insolvent or is petitioned in bankruptcy or being a company, a petition for winding up is presented which is not frivolous or vexatious or an order is made or an application is brought or a resolution is passed for its winding up or a receiver or a receiver and manager or liquidator is appointed or the company makes an arrangement for the benefit of creditors or in the event of a breach by the Supplier of any terms and conditions of this Order. Purchaser may at its option and without prejudice against any of its other rights terminate this agreement or such part of it as the Purchaser shall desire and shall have no financial liability in respect of such termination.
- (b) Waiver of the Purchaser of any specific default by the Supplier or failure by the Purchaser to cancel this Order or any part thereof when a right of cancellation arises shall not constitute a waiver by the Purchaser of any of its rights pursuant to this Order.

12. Warranty

The Supplier warrants that the material used in goods purchased and items serviced pursuant to this Order shall be of good quality and workmanship, shall be fit for the purpose for which they are required or intended, will conform to their description and appropriate specifications, and shall be of merchantable quality. These warranties are in addition to any other warranties or service guarantees given by the Supplier.

13. Patents

The Supplier shall indemnify the Purchaser and its successors and assigns against and from all actions, claims, demands including costs incidental thereto, in relation to infringements of patents, trademarks, copyrights or the like, regardless of where such action, claim or demand arises by reason of the use of the goods purchased by this Order.

14. Title and Risk of Loss or Damage

- (a) The Supplier warrants that the goods purchased are free and clear of all liens and encumbrances and that Supplier has good and marketable title to the same.
- (b) Title to the goods shall pass upon payment by the Purchaser or upon delivery of the goods, whichever is the earlier.
- (c) All risks whatsoever including risk of loss or damage to the goods and/or items to be serviced (including materials supplied by Purchaser), or to any third parties or their property shall be upon the Supplier until goods and/or items are delivered to the Purchaser in accordance with this Order. No insurance cover is to be effected to the account of the Purchaser unless specifically requested in writing. Where this Order relates to a service, the Supplier shall bear the risk of loss or damage from the time of receipt by Supplier of the items to be serviced until they are delivered in accordance with this Order.
- (d) Where part payment for any goods is made by the Purchaser, the title to and property in the partly completed or completed goods, meaning materials or parts to be used in this manufacture and then on hand shall pass to the Purchaser. Risk of loss shall remain with the Supplier.

15. Installation or Fitting

Where the Supplier provides work in connection with the installation or fitting of goods or where the presence of Supplier or his servants or agents is required on Purchaser's premises:

- (a) the Supplier shall use his best endeavours not to impede or interfere with other work in progress on Purchaser's premises;
- (b) the Supplier enters Purchaser's premises at his own risk and shall be liable for and indemnify the Purchaser against any loss, damage, claim or liability arising directly or indirectly out of the performance of the work or presence on Purchaser's premises;
- (c) the Supplier shall its own expense obtain all requisite licenses and permits and comply with all rules and regulations in connection with the work or installation of the goods;
- (d) the Supplier, his servants, agents and contractors shall comply with the safety regulations of the Purchaser and shall comply with the reasonable directions and orders of the Purchaser and its authorised officers;
- (e) the Supplier performs all work as an independent contractor and not as an agent or employee of Purchaser.

16. Transportation and Packing Instructions

The Supplier shall pack all goods covered by this Order in a manner suitable for shipment and which shall ensure their safe delivery undamaged to the Purchaser with particular regard to minimum weight where appropriate. Unless specifically provided in this Order, no extra charge shall be made for such packing. All cases, containers and boxes shall show the case markings specified in the Order and shall contain packing lists. The Supplier shall be liable for any difference in freight arising from its failure to follow transport or packing instructions.

17. Delivery

The delivery date must be strictly adhered to and goods not delivered to time are liable to be refused and returned at the Supplier's expense. The Purchaser may also cancel this Order in whole or in part. Should despatch be hindered or delayed by any cause beyond the Supplier's control, a reasonable extension of time shall be granted provided that such an extension would not make it necessary for Purchaser to procure goods elsewhere. Where no delivery date is specified herein, the Supplier must notify the same when confirming acceptance of this Order.

18. Subcontracting

Subcontracting is prohibited without the prior written consent of the Purchaser.

19. Price

Unless otherwise specified in this Order, all prices shall be regarded as applicable to F.O.B. delivery point and inclusive of all taxes, duties or other charges payable in the country of supply. Any taxes, duties or other charges agreed to be paid by the Purchaser to the Supplier shall be separately itemised on the Supplier's invoice.

20. Goods Destined for Export

Suppliers shall take all necessary steps to gain exemption from duties, taxes and charges which would otherwise be payable if the goods to be supplied or items to be serviced under this Order were not destined for export. Any reduction in the Supplier's costs which results from a reduction in the rates of freight, customs, duties, sales tax or any other duties or taxes from those rates in force at the date hereof will be allowed by the Supplier to the Purchaser in reduction of the price of the goods and/or services ordered herein.

(Applicable to U.K. Suppliers Only)

The Purchaser will provide Supplier with the necessary evidence of export which the Supplier may require for establishing that the Supplier is entitled to zero rating for V.A.T. purposes in respect of goods to be supplied or items to be serviced under this Order.

(Applicable to U.S.A. Suppliers Only)

Unless specifically stated to the contrary in this Order, or in any written notification by Purchaser to Supplier, the goods the subject of this Order are for export to the Purchaser in Melbourne, Australia as the forwarding destination, and as such, are exempt from sales taxes.

21. Beyond Economical Repair (BER) /Scrap

Where the Supplier deems parts as beyond economical repair or non-repairable, the Supplier will advise the Purchaser and provide a part condition report which shall detail the reason for scrap. Purchaser shall advise Supplier of required disposition for scrapped parts. In the absence of such advice from the Purchaser the Supplier shall return all scrapped parts to the Purchaser.

22. Advertising

The Supplier will not without first obtaining the written consent by Purchaser in any manner advertise or publish the fact that the Supplier has contracted with the Purchaser for the supply of goods or services.

23. Applicable Law

This Order shall be governed by and construed in accordance with the laws of the State of Victoria, Australia.