

Cablex Pty Ltd

Standard purchase terms and conditions

Version: B

Approved: January 2018

These terms and conditions apply to all purchase orders issued by Cablex Pty Ltd on or after the date of approval.

1. Agreement

1.1. Definitions

1.2. In this document the following terms have the meaning following:

- 1.2.1. **Agreement** means the Purchase Order, these standard terms and conditions and, where applicable, the Principal's Special Conditions;
 - 1.2.2. **Cablex** means Cablex Pty Ltd (ABN 81 007 442 382) of 8 South Drive, 236-262 East Boundary Road, East Bentleigh, Victoria, 3165, Australia;
 - 1.2.3. **Destination** means the destination for the Goods or Services as set out in the Purchase Order;
 - 1.2.4. **Goods** means the goods to be provided by the Supplier and detailed in the Purchase Order;
 - 1.2.5. **OCM** means original component manufacturer;
 - 1.2.6. **OEM** means original equipment manufacturer;
 - 1.2.7. **Principal** means, where applicable, Cablex's customer with whom Cablex has entered or will enter into the Principal Contract;
 - 1.2.8. **Principal Contract** means the contract between Cablex and the Principal for the supply of goods and/or services;
 - 1.2.9. **Principal's Special Conditions** means those provisions in the Principal Contract that Cablex must flow down into its contracts with suppliers of the Goods and/or Services;
 - 1.2.10. **Purchase Order** means the purchase order issued by Cablex to the Supplier for the purpose of this Agreement;
 - 1.2.11. **Sample** means any sample, prototype or example of the Goods supplied by the Supplier to Cablex and on which Cablex relied in order for it to issue a Purchase Order;
 - 1.2.12. **Services** means the services to be provided, if any, by the Supplier and detailed in the Purchase Order;
 - 1.2.13. **Specifications** means the technical or other specifications for the Goods referred to in the Purchase Order or otherwise provided to the Supplier by Cablex;
 - 1.2.14. **Sub-Tier** means any entity that supplies materials, parts or components to the Supplier for use in the Goods;
 - 1.2.15. **Supplier** means the supplier of the Goods and/or Services named in the Purchase Order;
- 1.3. Any terms and conditions expressed in any document of the Supplier are excluded from the Agreement, unless Cablex has expressly accepted those terms and conditions in writing.
- 1.4. In the case of any inconsistencies between these standard terms and conditions and a Purchase Order, the Purchase Order will prevail to the extent of the inconsistency.
- 1.5. In the case of any inconsistency between these standard terms and conditions and the Principal's Special Conditions, the Principal's Special

Conditions will prevail to the extent of the inconsistency.

2. Principal Contract

- 2.1. The Supplier acknowledges and agrees that, where Cablex has entered into a Principal Contract, certain terms of the Principal Contract must be replicated in the Agreement.
- 2.2. Any additional terms or conditions that the Principal requires Cablex and its supply chain must adhere to, and which are not set out in the Agreement, will be set out in the Principal's Special Conditions. The Supplier agrees to the Principal's Special Conditions.

3. Acceptance

- 3.1. The Supplier is deemed to have accepted the Agreement upon the first to occur of:
 - 3.1.1. the Supplier's written acceptance of the Purchase Order; or
 - 3.1.2. after 3 business days from the date of the Purchase Order; or
 - 3.1.3. upon any supply in accordance with the Purchase Order.

4. Price and Payment

4.1. Price

- 4.1.1. Each Purchase Order is placed on a firm price basis in accordance with the price(s) of the Goods and/or Services and is not subject to any increase in price without the prior written agreement of Cablex.
- 4.1.2. The price(s) must include all costs payable by Cablex for the Goods or Services, including (where applicable):
 - 4.1.2.1. delivery charges to the Destination, if delivery is specified on the Purchase Order;
 - 4.1.2.2. the unloading of the Goods by the Supplier at the Destination, if delivery is specified on the Purchase Order;
 - 4.1.2.3. any applicable taxes, duties, and fees payable;
 - 4.1.2.4. insurance;
 - 4.1.2.5. packaging; and
 - 4.1.2.6. the use or supply of pallets and containers.

4.2. Payment

- 4.2.1. The Supplier must provide monthly statements of account to Cablex and invoice Cablex promptly in respect of each delivery. Cablex will pay each invoice within 60 days after the end of the month in which the tax invoice is dated unless it notifies the Supplier of an error or a dispute in relation to the invoice or the Goods or Services supplied.
- 4.2.2. The tax invoice from an Australian resident Supplier must comply with Australian Tax Office requirements and identify:
 - 4.2.2.1. the Supplier's Australian Business Number; and
 - 4.2.2.2. the GST for each component of the Goods or Services supplied pursuant to the Purchase Order.

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4.3. Suspension of payment and deduction/set off

- 4.3.1. Without prejudice to other rights under the Agreement, Cablex may:
 - 4.3.1.1. refuse to pay, or suspend payment of, any invoice for Goods where there is late delivery or a quality performance issue under condition 5.5; or
 - 4.3.1.2. set off against or deduct from any amount which may be or become payable to the Supplier under the Agreement any amount due from the Supplier to Cablex on any account whatsoever.

4.4. Errors or exceptions

- 4.4.1. Without limiting condition 4.2, if the Supplier discovers or is advised of any errors or exceptions relating to its invoicing for the Goods or Services, the Supplier and Cablex will jointly review the nature of the errors or exceptions, and the Supplier must, if appropriate, take prompt corrective action and adjust the relevant tax invoice or refund overpayments.

5. Shipment and delivery

- 5.1. The Goods must be appropriately packed for shipment and shipped to the address specified on the Purchase Order in accordance with any shipping instructions issued by Cablex in conjunction with the Purchase Order.
- 5.2. All of the Goods specified in the Purchase Order must be delivered:
 - 5.2.1. in accordance with the Purchase Order;
 - 5.2.2. on or before the delivery date or dates specified on the Purchase Order;
 - 5.2.3. to the Destination or Destinations;
 - 5.2.4. accompanied by a delivery note stating the date of issue, the Supplier's details, the Purchase Order number and details of the Goods delivered, including where appropriate part numbers;
 - 5.2.5. in good condition and without damage;
 - 5.2.6. with original OEM certificates of conformity, which certificate must include information to enable traceability of parts and components to their original or authorised manufacturer;
 - 5.2.7. with copies of all relevant engineering details, designs, evidence of compliance with applicable standards; and
 - 5.2.8. any other documentation reasonably requested by Cablex, including documents containing statistical analysis data for product or process acceptance.
- 5.3. The Supplier must advise Cablex immediately if the Goods or Services will not be supplied or delivered in accordance with the delivery date or dates set out in the Purchase Order.
- 5.4. Quantities received in excess of the amount ordered may be returned at Cablex's option and at the Supplier's expense.
- 5.5. Any significant quality failure involving rejection or return of Goods by Cablex to the Supplier or requiring material re-work to the Goods in order for them to meet quality standards will be deemed as a failure to delivery and may trigger a late delivery fee referred to in condition 6.
- 5.6. Delivery of Goods will not have occurred for the purposes of the Agreement, unless Cablex has acknowledged receipt of any Goods that are delivered.

6. Late delivery fee

- 6.1. On time delivery is an essential requirement of Cablex and its Principal. Delivery must be on the delivery date or dates set out in the Purchase Order unless Cablex agrees in writing to any change to those dates.
- 6.2. Cablex reserves the right to charge a fee for any late delivery. The amount of that fee will be one or both of:
 - 6.2.1. the amount equal to 0.4% of the value of the Purchase Order for each working day of late delivery; or
 - 6.2.2. any cost or expense incurred by Cablex as a result of the Supplier's late delivery, including any liquidated damages or other cost or expense incurred by Cablex under the Principal Contract and imposed by the Principal as a direct result of the Supplier's late delivery.

7. Inspection and rejection

- 7.1. Cablex or its authorised representative may from time to time have access to and inspect all work in progress associated with the supply of Goods or Services so long as the access and inspection is requested with reasonable notice. If, as a result of the inspection, Cablex is not satisfied that the quality of the Goods or the standards of their manufacture, storage or handling conforms with the Agreement, the Supplier will take such steps as are necessary to ensure compliance. If, after that, Cablex is still not satisfied, it can cancel the Purchase Order without penalty.
- 7.2. The purchase of the Goods is subject to inspection and approval by Cablex or its authorised representative within a reasonable time after delivery, and Cablex reserves the right to either require correction of or reject and return any Goods found not to be in accordance with the Agreement.
- 7.3. Goods rejected will be held by Cablex at the Supplier's risk and cost. If the Supplier does not provide instructions within 60 days from Cablex's rejection, Cablex may continue to store the Goods at the Supplier's risk and cost or return the defective Goods at the Supplier's cost.
- 7.4. The Supplier must pay the cost incurred by Cablex of rejecting, removing, returning or replacing any defective or rejected Goods.

8. Quality

- 8.1. The Supplier will establish and maintain records that provide satisfactory evidence of conformity to Cablex's purchasing requirements and the effective operation of the Supplier's quality management system (**QMS**). The Supplier will maintain, at a minimum, a QMS that is appropriate to the Goods or Services.
- 8.2. Where the Principal requires any additional quality requirements, measures or standards to those required under the Agreement, those additional requirements, measures or standards will be set out in the Principal's Special Conditions, the Purchase Order or otherwise notified to the Supplier by Cablex and the Supplier will comply with them.
- 8.3. The Supplier will give access to and/or make available records relevant to its QMS or related to the quality of the Goods (**Quality Records**) for inspection upon request by Cablex or any Principal, or their respective authorised representatives, or any relevant regulatory authority or agency. The request will be made in writing giving reasonable notice.
- 8.4. Unless a Purchase Order states otherwise, the Supplier will keep and maintain Quality Records for a minimum period of ten (10) years from the date of final delivery under the relevant Purchase Order.
- 8.5. The Supplier will provide a certificate of conformity at the time Goods are delivered which contains details as required by Cablex, including the parts, materials and procedures used by the Supplier.
- 8.6. This condition survives delivery, inspection, acceptance and payment by Cablex.

9. Product cycle, shelf life and retention of records

- 9.1. If the Goods are life-limited, the Supplier must provide to Cablex either the expiration date or the material cure date.
- 9.2. The Supplier must implement a parts obsolescence-monitoring program and communicate any parts obsolescence to Cablex in writing 6 months prior to implementation of obsolescence.
- 9.3. The Supplier must retain all records associated with the Purchase Order for a period of ten (10) years.

10. Product or service conformity and safety

- 10.1. The Supplier must ensure that its relevant personnel are trained to a standard that ensures the requirements of the Specification and Purchase Order are met.
- 10.2. The Supplier must flow applicable requirements, including key characteristics, critical items and customer requirements, down to any relevant Sub-Tier as necessary for compliance to this Agreement.
- 10.3. The Supplier is expected to act ethically, honestly and with the highest standard of personal integrity at all times in the performance of work for Cablex. Cablex's suppliers contribute directly to its product conformity and safety and as such all suppliers are valuable contributors to successful product manufacturing, performance and product safety.

11. Ethical behaviour

- 11.1. The Supplier and any Sub-Tier must ensure that their personnel are aware of the Importance of ethical behaviour.

12. Bribery and conflicts of interest

- 12.1. The Supplier must not, and must ensure that its personnel do not, offer, make, authorise, request or accept payment of money or anything of value, directly or indirectly, to:
 - 12.1.1. influence the judgment or conduct or ensure a desired outcome from Cablex or a customer, supplier or competitor;
 - 12.1.2. influence a decision of, or gain a benefit from, Cablex or any public servant, government official, political party or candidate for political office;
 - 12.1.3. gain improper advantage for itself, Cablex or any other person or entity.
- 12.2. The Supplier must not, and must ensure that its personnel do not, offer, give or accept a payment, gift, prize, hospitality or other benefit or thing of value in circumstances that could be regarded as:
 - 12.2.1. compromising Cablex's reputation;
 - 12.2.2. compromising any judgment;
 - 12.2.3. obtaining an improper advantage, including preferential treatment in order to obtain a competitor's bid information or to obtain, retain or renew a contract;
 - 12.2.4. unduly influencing any person or creating a business obligation on any person's part;
 - 12.2.5. giving rise to any conflict of interest;
 - 12.2.6. damaging to relationships with others;
 - 12.2.7. indicating favouritism or prejudice towards a particular person or group of people;
 - 12.2.8. in breach of any country's laws or custom; or
 - 12.2.9. a corrupt business practice.

13. Counterfeit prevention

- 13.1. The Supplier is required to maintain compliance to a recognised quality system standard and notify Cablex of any material changes to certification status (e.g. ISO9001, AS9100, AS9120, etc.).
- 13.2. The Supplier must prevent delivery of counterfeit parts, components or material.
- 13.3. The Supplier must implement and enforce a written counterfeit parts prevention and control plan (**Plan**) designed to preclude, detect and remove any counterfeit parts or components from all deliveries to Cablex. The Plan should be up to the standard set out in AS5553 or AS6081. The Plan must

include a process for quarantining suspect or detected counterfeit parts or components. Evidence of compliance with the Plan and preventative controls must be provided to Cablex upon request. Cablex may request on site audit/verification as required.

- 13.4. The Supplier must ensure its procedures under the Plan are communicated to and enforced with all Sub-Tier. The Plan must include and implement an anti-counterfeit education and training program for their employees responsible for purchasing and receiving.
- 13.5. The Supplier must purchase material directly from an OCM or from OCM authorized distributors and must request approval from Cablex if material required to satisfy the Purchase Order cannot be procured from these sources. The Supplier must present complete and compelling support for any request by it to procure from sources other than OCMs or their authorized distributors and include in its request all actions to be completed to ensure the materials procured are not counterfeit. The Supplier is not authorized to deliver any material procured from sources other than OCMs or OCM authorized distributors without submission of the request and prior written approval from Cablex. Upon receipt of approval from Cablex, the Supplier must segregate and provide traceability identifiers (e.g. date code, lot code, serial number, etc.) for all material delivered to Cablex that has been procured from sources other than OCMs or OCM authorized distributors.
- 13.6. Any Supplier who is governed by, subject to or eligible to use the services of or has access to information from the Government Industry Data Exchange Program (GIDEP), ERAI, Inc or the Federal Aviation Administration (FAA) must use and adopt the process recommended or required by that agency to alert industry of encountered counterfeit parts or components and monitoring of counterfeit parts or components reporting from external sources.

14. Right of access and audit

- 14.1. Cablex reserves the right, at its own cost, to inspect all the work at the Supplier's premises either by its own authorised representatives or with inspecting officers from the Principal. Reasonable notice will be provided to the Supplier.

15. Subcontracting

- 15.1. The Supplier must not subcontract the whole or any part of the work in relation to the supply under the Agreement without the prior consent in writing of Cablex. Cablex may grant or withhold consent in its absolute discretion.
- 15.2. The Supplier will provide to Cablex any details of the subcontractor reasonably requested by Cablex.
- 15.3. The Supplier will be liable to Cablex for the acts and omission of any subcontractors as if those were the acts or omission of the Supplier. The Supplier remains fully responsible for the performance of the terms of the Agreement, notwithstanding any subcontract or consent on Cablex's part to a subcontract.

16. Changes – process, Goods or Services

- 16.1. The Supplier must notify Cablex of any changes to processes, products (including Goods) and Services, including changes to any Sub-Tier or location of manufacture, where that change may affect product conformity and obtain Cablex's prior written approval to any such change being applied to the Goods or Services.
- 16.2. The Supplier must notify Cablex of any non-conforming Goods or process

immediately upon the Supplier becoming aware of the non-conformance. This obligation applies prior to delivery, in which case condition 16.1 will apply, and continues even if the Supplier becomes aware of the non-conformance after delivery of the Goods to Cablex

16.3. Cablex reserves the right to reject the delivery or acceptance of any Goods or Services that are non-compliant or which do not comply with the warranties set out in the Agreement.

16.4. The Supplier must obtain prior written approval of Cablex for the delivery of any Goods or Services not in accordance with the Specifications.

17. Title and risk

17.1. Title to and, subject to condition 5.2, all risk associated with the Goods will pass to Cablex on delivery of the Goods in accordance with the Agreement.

17.2. The Goods are at the Supplier's risk until risk passes to Cablex in accordance with the Agreement.

18. Insurance

18.1. The Supplier must take out and maintain at its own expense:

18.1.1. a workers' compensation insurance policy;

18.1.2. a public liability insurance policy for not less than \$20 million in aggregate;

18.1.3. a product liability insurance policy for not less than \$10 million in aggregate (if Goods are supplied by the Supplier); and

18.1.4. if Services are supplied by the Supplier, a professional indemnity insurance policy for not less than \$5 million in aggregate.

18.2. All insurance must be current during the period in which Goods or Services are supplied.

19. Warranties

19.1. The Supplier warrants that:

19.1.1. the Goods are new and of current manufacture, appropriate grade and suitable capacity and are of merchantable quality and free from any defect of material or workmanship;

19.1.2. the Goods and Services will comply with the Specification;

19.1.3. the Goods will be manufactured and supplied, and the Services performed, in accordance with the Supplier's QMS;

19.1.4. any services are provided with due care and skill;

19.1.5. the Goods or Services are fit for the purpose for which goods or services of the same kind are commonly supplied and for any other purpose made known to the Supplier;

19.1.6. where sold by Sample, the Goods in bulk correspond with the Sample in quality;

19.1.7. where sold by description, the Goods correspond with the description;

19.1.8. where the normal standards for Goods or Services exceed those required under the Agreement, the Goods or Services will be supplied at the higher standard without Cablex incurring any additional cost;

19.1.9. the Goods carry any applicable manufacturer's warranty, which passes to Cablex or the customer of Cablex without liability to Cablex, and the Supplier will either assign to Cablex, or hold on trust for Cablex and Cablex's customer, the benefit of any applicable warranty or guarantee that the Supplier has received from any supplier of the Supplier;

19.1.10. the Goods are free from lien, charge, or any other encumbrance or security interest;

19.1.11. the Goods or Services do not infringe any patent, trademark, trade

- name, copyright or other property right of any third party;
- 19.1.12. the Goods are genuine factory (OEM) stock and are not counterfeit;
- 19.1.13. it has obtained and will maintain all necessary licences, permits and consents that may be required in connection with the supply of the Goods or Services;
- 19.1.14. it will maintain and keep records relating to the Goods and Services for a minimum of 10 years;
- 19.1.15. it is knowledgeable about, and will comply with, all anti-corruption, anti-bribery, anti-trust or other criminal laws, rules and regulations which may be applicable to the performance of the Agreement; and
- 19.1.16. it will comply fully with all applicable laws and regulation in the performance of any Purchase Order and performance of the Agreement, including without limitation all applicable import or export laws and regulation.
- 19.2. These warranties apply in addition to any warranties implied by law, and are not a waiver of any such implied warranties.
- 19.3. These warranties (express or implied) survive delivery, inspection, acceptance and payment by Cablex.

20. Intellectual Property

- 20.1. All specifications, drawings, and other intellectual property furnished by Cablex to the Supplier or developed by the Supplier for the purpose of a Purchase Order are confidential, must not be disclosed or furnished to any third party without Cablex's prior written consent, and will be and remain the property of Cablex.
- 20.2. Any equipment owned or paid for by Cablex for use in the fulfilment of a Purchase Order remains the property of Cablex, must be clearly marked as the property of Cablex, must be surrendered to Cablex on demand, and must not be used for any purpose other than the fulfilment of a Purchase Order without the prior written consent of Cablex.
- 20.3. The Supplier assigns to Cablex all intellectual property rights the Supplier may have in Goods manufactured using property or intellectual property of Cablex.
- 20.4. The Supplier must not, without the prior written consent of Cablex, advertise or publish the fact that the Supplier has entered into, or is supplying Goods or Services under, this Agreement.
- 20.5. The Supplier agrees to take all reasonable steps to ensure that its officers, employees, contractors and agents or any authorised subcontractors comply with the obligations set out in this condition.
- 20.6. Should Cablex's use, or use by its officers, employees, contractors, agents, authorised subcontractors or customer, of Goods be threatened by injunction or other legal proceeding, the Supplier will, at its sole cost and expense:
 - 20.6.1. substitute fully equivalent non-infringing goods; or
 - 20.6.2. modify the Goods so that they no longer infringe but remain fully equivalent in functionality and acceptance to Cablex's customer;
 - 20.6.3. obtain for Cablex, its officer, employees, contractors, agents, authorised subcontractors or customers the right to continue using the Goods; or
 - 20.6.4. if none of these is possible, refund all amounts paid for the infringing Goods.

21. Confidentiality

- 21.1. The Supplier acknowledges that it may obtain knowledge of or access to proprietary and confidential information of Cablex, the Principal or a customer of Cablex, and agrees to keep such information strictly confidential

and not to use that information for any purpose other than fulfilling a Purchase Order.

21.2. This condition survives delivery, inspection, acceptance and payment by Cablex.

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22. Cancellation

22.1. Cablex reserves the right to cancel a Purchase Order or any part thereof within a reasonable time if the full amount or any part of the Goods or Services ordered is not delivered in accordance with the Agreement or if the Purchase Order is not fulfilled in any other particular.

22.2. Cablex reserves the right upon notice to the Supplier to cancel a Purchase Order or any part thereof if the Goods are not delivered in accordance with the Specification or any Sample or if, in the opinion of Cablex, the Goods are defective in material or workmanship.

22.3. Cablex reserves the right upon notice to the Supplier to cancel or vary a Purchase Order in whole or in part where the Principal has terminated or varied the Principal Contract with Cablex.

22.4. The Supplier releases Cablex from any and all claims against it in relation to cancellation of a Purchase Order under this condition.

22.5. The Supplier must pay the cost to Cablex of removing or returning any Goods to the Supplier as a result of a cancellation under this condition.

23. Termination

23.1. Without limitation to its other rights and remedies set out in the Agreement, if the Supplier breaches or defaults in any of its obligations under the Agreement or becomes insolvent or if a receiver, administrator, or other controller is appointed to the Supplier, then Cablex may cancel the Purchase Order and the Agreement in whole or in part and shall have no continuing obligation to the Supplier.

23.2. On termination of the Agreement, Cablex may remove, and the Supplier will give Cablex reasonable access and assistance to remove, any property of Cablex from the Supplier's facility or premises.

23.3. On termination of the Agreement as a result of the termination of the Principal Contract, the Principal Special Conditions may apply.

23.4. If requested by Cablex, the Supplier will enter into an agreement for the return of unused or excess stocks of Goods that are not required by Cablex at the conclusion of the Agreement (**Excess Stock**). The agreement will be a return to stock agreement, a vendor manufactured inventory agreement or a similar type of agreement, under which the Supplier will re-acquire the Excess Stock which is unused and in as-new condition at a price which is no less than the price Cablex purchased that Excess Stock.

24. Indemnities

24.1. The Supplier agrees to indemnify and hold harmless Cablex in respect of all claims, losses and expenses in connection with the use of the Goods or Services by Cablex or any of its customers, or any other acts or omissions of the Supplier in connection with its obligations under the Agreement.

24.2. The Supplier's liability to indemnify Cablex is reduced proportionally to the extent that Cablex has contributed to the claims, losses or expenses.

24.3. This condition 24 survives delivery, inspection, acceptance and payment by Cablex.

25. Notices

25.1. A communication under the Agreement is only effective if it is in writing, signed by or on behalf of the party giving it and it is received in full and

legible form at the addressee's address or fax number.

26. Control

26.1. The Supplier must notify Cablex within 7 days of any change of more than 50% in the beneficial ownership or control of the Supplier.

27. General provisions

27.1. The Supplier may not assign or transfer the Agreement or any part of it without the prior written consent of Cablex.

27.2. No waiver of a right or remedy under the Agreement is effective unless in writing and signed by Cablex and shall not constitute a waiver of any other right or remedy under, or condition of, the Agreement.

27.3. The Agreement is governed by the laws of Victoria, Australia and the parties irrevocably and unconditionally submit to the jurisdiction of the courts of Victoria, Australia.

27.4. The Agreement may not be modified except with the written agreement of Cablex. No local, general, or other trade customs will be applied to alter the terms of the Agreement.

27.5. The consent of Cablex to anything under the Agreement may be withheld in Cablex's absolute discretion.

27.6. Any term of the Agreement, which is wholly or partially void or unenforceable, is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of the Agreement is not affected.

27.7. The Agreement constitutes the entire agreement between Cablex and the Supplier with respect to its subject matter and supersedes all prior communications and negotiations between Cablex and the Supplier.

28. Changes to these terms and conditions

28.1. Cablex may change these terms and conditions from time to time. The version number and date of that version will appear on the current version.

28.2. The version of the terms and conditions current at the date of a Purchase Order will continue to apply notwithstanding any variation made after that time.