

APPLICATION OF TERMS AND CONDITIONS.**SECTION 1: STANDARD TERMS AND CONDITIONS FOR GOODS & SERVICES.**

Purchase Orders contain the following terms and conditions that reference the required purchasing and quality terms that ASCO Engineering requires of its suppliers and/or sub-contractors.

1.1. Certificate of Conformity (COC).

A signed certificate of conformity shall accompany each shipment (unless consumables) and shall contain the following information: Supplier Name: Purchase Order Number, Date, Part Number, Revision, Quantity, Authorised Signatories. If material is being shipped the following information shall also be on the certificate of conformity. Description of material e.g., spec number, revision and size. Material identification e.g., heat number, lot number, origin mill, type of material and composition.

1.2. Quality System.

The supplier/sub-contractor shall maintain an effective Quality Management System. This provides a means of ensuring that products conform to specified requirements.

1.3. Product Safety.

At ASCO Engineering, product safety is essential. ASCO Engineering have set principles to continually improve the approach to product safety. Suppliers/Sub-Contractors will ensure that all personnel within their company and sub-tier suppliers' personnel who are involved directly or indirectly in processes relating to ASCO Engineering purchase orders are aware of the importance of product safety, including accountability, continual improvement and conforming products.

1.4. Rights of Access.

ASCO Engineering authorised representatives may carry out visits to the suppliers/sub-contractor's site. Representatives shall be provided to all facilities involved in the order and to all applicable records, and verification of parts and materials being used.

1.5. Identification, Traceability and Control of Quality Records.

All records relating to the process and/or manufacturing processes shall have correctly maintained records and traceability throughout all processes carried out. This includes testing and inspection. Knowledge of how to know when a process has been completed shall be apparent and traceable. Inspection and calibration system (where required) shall be established, retained and made available on request for verification by ASCO Engineering, our customers and regulatory authorities. Retention period for all orders shall be for a minimum of 10 years unless otherwise specified by our customers or regulatory authorities.

1.6. Non-Conforming Product.

The supplier shall obtain prior written approval from ASCO Engineering prior to the supply of any non-conforming product. ASCO Engineering shall have the right to reject, require correction/rework or accept with concession. No replacements or corrections of defective products/materials shall be used by supplier unless agreed in writing by ASCO Engineering. All reworks/rejections of non-conforming products shall be noted on the delivery paperwork with all copies of the non-conformance sent to ASCO Engineering prior to delivery, including a root cause analysis and corrective/preventative action.

1.7. Sub-Tier Suppliers/Sub-Contractors.

No products or materials under this purchase order shall be procured or services rendered by an additional sub-contractor without prior written approval from ASCO Engineering. When the supplier sub-contracts a process or requirement to a sub-tier supplier the applicable requirements must be flowed down to that supplier. The supplier is not relieved of the responsibility for assuring all works performed or supplied by the sub tier supplier are in accordance with specification requirements, even with the prior approval given by ASCO Engineering.

1.8. Special Processes.

Any special processes completed must have the relevant certification. Including, NDT testing, x-ray, heat treatment. All certificates and inspection reports must be available to ASCO Engineering and customers and regulatory authorities. Where requested all certifications shall be included with the C of C / Delivery paperwork. The supplier and

any sub-tier supplier must be approved by ASCO Engineering and/or customer approval before any process can be completed that is considered as a special process.

1.9. Change of Circumstances.

The supplier/sub-contractor shall inform ASCO Engineering of changes to its certifications, registration and accreditation status and any other changes that may affect the quality, such as change of location or a change in senior management.

1.10. Responsibility of Property.

Any parts/materials/tooling/drawings and specifications that ASCO Engineering sends to the supplier/sub-contractor shall be segregated, labelled and kept in a suitable environment for that material / product or tooling. Any drawings and/or specification supplied by ASCO Engineering is private and confidential and will not be passed on to any third party unless the explicit written consent has been received by ASCO Engineering. The supplier assumes the risk of, and shall be responsible for any loss or damage to any of the above listed that has been provided. ASCO Engineering property (where required) is to be returned in the state received, except for reasonable wear and tear that has happened in the duties in which it was intended.

1.11. Prevention of Counterfeit Parts and Unapproved Parts.

The supplier shall implement and control processes to prevent the use of counterfeit and unapproved parts and their inclusion in any products delivered to ASCO Engineering. The supplier shall inform ASCO Engineering if counterfeit parts or unapproved parts have been suspected or detected and the corrective actions that were taken.

1.12. FAI-First Article Inspection.

Where and when required the supplier must supply a FAIR (First Article Inspection Report) to ASCO Engineering. The information that may be required will include material certs, testing certificates, dimensional measurements and photos. All FAIR will be required to be signed and reviewed by an authorised person including a quality manager or inspector.

1.13. Packing.

The Supplier shall prepare the goods to prevent damage and deterioration. Charges for preparation, packing and delivery charges are included in the price, unless separately specified on the order.

1.14. Shipment and Delivery.

Shipment or deliveries as specified in the order, shall be in strict accordance with the quantities without shortage or excess, unless has been written notification from the supplier and consent from ASCO Engineering. The supplier shall take all necessary action to maintain all delivery schedules and shall promptly notify ASCO Engineering or any anticipated or actual delivery date issues. This must be discussed and agreed with by both supplier and ASCO Engineering.

1.15. Supplier Awareness.

Suppliers/sub-contractors will ensure that all personnel within their company and sub-tier suppliers personnel who are involved directly or indirectly in processes relating to ASCO Engineering purchase orders are aware of:

- Their contribution to product safety.
- Their contribution to product or service conformity.
- The importance of ethical behaviour.

SECTION 2: AEROSPACE & DEFENCE ADDITIONS.

As a supplier to ASCO Engineering, it is understood that your organisation agrees to meet the following AS9100 requirements whenever an ASCO Engineering purchase order specifies that the order is for an aerospace and/or defence application. These terms and conditions applicable to all aerospace related purchases shall be considered, in addition to our standard terms and conditions for goods & services.

2.1. Quality Management System (QMS).

Suppliers shall maintain an implemented and recognised QMS, certified to AS9100, ISO 9001, or equivalent, and provide evidence of certification upon request.

2.2. Flow down And External Providers.

All applicable customer, regulatory, and AS9100 requirements stated on the purchase order, including key characteristics, shall be flowed down to sub-tier suppliers.

Where required, suppliers shall use customer-designated or ASCO-approved external providers and process sources, including special processes.

2.3. Control of Non-Conforming Product.

Suppliers shall immediately notify ASCO Engineering of any non-conforming processes, products, or services.

Approval for disposition must be obtained from the ASCO head of quality (or delegate) before delivery.

2.4. Counterfeit Parts Prevention.

Suppliers shall have a documented process in place to prevent, detect, and control counterfeit or suspect counterfeit parts, as defined in AS9100 clause 8.1.4.

If counterfeit or suspected counterfeit parts are identified, ASCO Engineering must be notified immediately.

2.5. Notification of Changes.

Suppliers shall notify ASCO Engineering of any changes to processes, products, or services, including:

- Changes of external providers,
- Changes in the manufacturing facility location, or
- Changes that may affect product conformity or the supplier's QMS. Written approval from ASCO Engineering must be obtained prior to implementation.

2.6. Provision of Test Specimens.

When requested, suppliers shall provide test specimens or representative samples for design approval, inspection / verification, investigation, or audit, along with traceability documentation to the authorised source.

2.7. Certification and Traceability.

Each delivery shall be accompanied, when required, by a certificate of conformance, test report, or authorised release certificate. Each certificate shall identify and / or be traceable to:

- ASCO purchase order number and item,
- Part number, drawing, and specification revision,
- Any approved deviations,
- Batch / lot numbers, and
- Relevant mill certificates or test documentation.

Failure to comply may result in rejection of goods.

2.8. Retention of Records.

All quality records and documented information relevant to ASCO orders shall be retained for a minimum of 10 years, unless otherwise specified by contract, after which controlled disposal must be applied.

2.9. Right of Access.

ASCO Engineering, its customers, and relevant regulatory authorities reserve the right to access all applicable facilities, processes, and documented information at any level of the supply chain.

2.10. Personnel Awareness.

Suppliers shall ensure that all personnel are aware of:

- Their contribution to product / service conformity,
- Their contribution to product safety,
- The importance of ethical behavior, and
- The requirement to report quality or safety concerns.