

# SHEQ SYSTEM

## Supplier Terms & Conditions Agreement

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### 1. Introduction

- 1.1. Hardman Bros. Pty Ltd (the buyer) has a policy of working with our External Providers to develop mutually beneficial long-term relationships. This document defines the basic requirement that organisations must meet for the supply/provision of products, processes, and services to Hardman Bros. Pty Ltd.
- 1.2. Whenever we have identified that this Supplier Terms & Conditions Agreement document applies within our covering purchase order, the following requirements shall apply:

### 2. General

- 2.1. As a supplier to Hardman Bros. Pty Ltd., it is understood that when you accept our purchase orders or commence work, your organisation agrees to meet all of these terms and conditions unless we provide written exemption.
- 2.2. No part of the product/process or services covered under the Purchase Order shall be further sub-contracted or outsourced to another organisation without the prior formal approval of Hardman Bros. Pty Ltd. Notification and request for approval shall be made in writing to the buyer.
- 2.3. Where approval to further sub-contract or outsource product manufacture, processes or services to another organisation is provided, you (the Supplier) shall:
  - use customer buyer designated sources for product and special processes, recognising that you remain responsible for meeting requirements
  - formally flow down these Supplier Terms & Conditions and all applicable Special Requirements contained in our purchase orders and/or related technical data (i.e., Critical Items and/or Key Characteristics) to your approved External Providers
  - ensure that documented purchasing information is provided to your supply chain and that this contains a full, clear and unambiguous statement of purchasing requirements
- 2.4. Were required within the Purchase Order; you shall provide test specimens that are representative of the materials/product and manufacturing process used for our required material /product, along with the appropriate documentation to confirm the authenticity of the test specimens.

### 3. Rights of access

- 3.1. Hardman Bros. Pty Ltd. representatives, our customers, and related regulatory authorities shall be granted the right of access to all supplier and sub-tier supplier applicable facilities to inspect and evaluate systems, processes, data/records, equipment, personnel, and product involved in fulfilling the requirements of our Purchase Order. Suppliers shall secure the same rights of access to the premises and records of its approved External Providers by flowing down these requirements to the approved Supply Chain.

### 4. Non-conforming product

- 4.1. In writing, Hardman Bros. Pty Ltd shall be promptly notified in the event of nonconforming process, product/material or service occurrence relating to our purchase order requirements. The supplier has no authorisation to make non-conforming product dispositions of "Use as Is" or "Repair" within the supply chain. Arrangements for the approval of supplier nonconforming process, product/material or service shall be as directed by Hardman Bros. Pty Ltd and our Customer/Engineering Authority.

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- 4.2. Non-conforming product shipment will seldom be entertained. However, as a minimum, the following will apply:
- No non-conforming or repaired product shall be shipped without obtaining formal approval
  - Any approval sought for a non-conforming product shall be via a Concession/Deviation/Waiver request submitted to us, which includes the part number affected (including the engineering revision level), batch/lot affected, quantities and a description of the non-conforming product and containment actions taken
  - Where a Concession/Deviation/Waiver has been approved, the Concession/Deviation/Request reference number shall be recorded on the delivery documentation, including the Authorised Release Note/Certificate of Conformity
  - The supplier undertakes to take containment action for the non-conforming product or process, investigate the cause of the non-conformance and provide details of the actions taken to prevent recurrence in a timely manner
- 4.3. Post-delivery, where it becomes apparent that a non-conforming or suspect product has been shipped/delivered, the Supplier shall promptly notify Hardman Bros. Pty Ltd.

### 5. Process verification

- 5.1. Where there is a requirement for Process Verification (First Article Inspection - FAI), this will be defined within the Purchase Order.
- 5.2. Once a product has been approved by Process Verification/FAI, the Supplier is required to notify Hardman Bros. Pty Ltd of any subsequent changes to the product, method of manufacture, process, approved personnel or change of manufacturing location and obtain approval from us in writing to proceed. Changes may require either a full or partial FAI.

### 6. Requirement changes

- 6.1. Hardman Bros. Pty Ltd may at times require the Supplier to implement changes to the requirements of the Purchase order, including (but not limited to) product configuration, materials, processes changes and changes associated with inspection, testing, or quality control.
- 6.2. We will endeavour to notify the Supplier of the required change and need for change as early as practical. The Supplier will undertake to review the changes and inform us of any impacts to cost, delivery and risks to product quality in a timely manner.
- 6.3. Agreed changes will be formalised via an amendment to the Purchase order. The Supplier will undertake to promptly implement the agreed changes within their organisation and the approved supply chain, as applicable.

### 7. Customer owned material and technical data

- 7.1. Materials and tooling provided free of charge or paid for in support of the Purchase order shall remain either the property of Hardman Bros. Pty Ltd or its customer. The supplier shall exercise due care with customer property while it is under the Supplier's control or being used by the Supplier. Such materials shall only be used for the purpose intended by the Hardman Bros. Pty Ltd Purchase order.
- 7.2. The Supplier shall promptly report any lost, damaged, or otherwise found to be unsuitable for use customer property to Hardman Bros. Pty Ltd.

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- 7.3. Technical data provided in support of Purchase order requirements shall remain the property of Hardman Bros. Pty Ltd or our customer. They shall be deemed to be confidential information and not be disclosed or used by the Supplier or its agents or sub-contractors, except as required by Hardman Bros. Pty Ltd.'s Purchase order.
- 7.4. Upon completion, cancellation, or other termination of work under the order, the Supplier undertakes not to disclose or make any further use, either directly or indirectly, of any information derived therefrom without Hardman Bros. Pty Ltd.'s prior written consent.
- 7.5. When requested, the Supplier shall return all provided materials, tooling and technical data, including all copies thereof.

### 8. Records

- 8.1. The Supplier shall maintain, make readily available, and, where specified, provide documented information demonstrating the conformance of the product, process or service with Purchase order and technical data requirements, which are traceable to the product/ part numbers delivered to Hardman Bros. Pty Ltd or our customer.
- 8.2. Records shall be made available to related regulatory authorities; Hardman Bros. Pty Ltd authorised representatives and our customers.
- 8.3. The Supplier shall preserve and make available such records for five years post-delivery of the product or purchase order completion unless or for a period as stated on the Purchase order.

### 9. Delivery performance and product conformity

- 9.1. Hardman Bros. Pty Ltd expects 100% on-time delivery from its supply chain. If the agreed-upon delivery date cannot be met, the Supplier shall notify the Buyer in advance.
- 9.2. Hardman Bros. Pty Ltd requires that products provided by Suppliers are free of defect and delivered in accordance with Purchase order and specified technical data requirements. All non-conforming product must be notified to us as soon as it becomes apparent (*refer to the Non-conforming product clause above*).
- 9.3. Hardman Bros. Pty Ltd monitors our supplier's performance for delivery and quality. Where supplier delivery performance and/or product conformance has been communicated by us as being below requirements, the Supplier shall undertake to investigate the cause and determine an improvement plan. The Supplier shall notify Hardman Bros. Pty Ltd of the improvement actions.
- 9.4. Where no improvement is forthcoming, Hardman Bros. Pty Ltd may take action to source a new supplier and "disapprove" the problem supplier on the Approved Suppliers List, blocking subsequent use by buyers.

### 10. Counterfeit materials and suspect product

- 10.1. The Supplier shall ensure that only new and authentic materials are used in materiel or product provided to Hardman Bros. Pty Ltd. The supplier shall:
  - ensure that personnel under the supplier's control are aware of the risks posed to product safety by counterfeit materials and suspect products in the supply chain and the methods used to detect and report such materials and product
  - purchase materiel directly from original or reputable manufacturers, distributors, or approved aftermarket manufacturers
  - use customer approved parts and sources, where specified

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- check material/product and delivery/certification documentation on receipt to aid in identifying any suspect or potentially suspect product
- take appropriate action where a suspect product is detected. This shall include containment of all suspicious products and notification to Hardman Bros. Pty Ltd and any other applicable authorities to ensure ongoing confidence and integrity within the supply chain

### 11. Certification, packing, source inspection and delivery

- 11.1. All deliveries must be accompanied by the Supplier's delivery documentation and material/product certification, as the Purchase order requires. All documentation must refer to the part number (where applicable), part description, order number and quantity delivered.
- 11.2. The Supplier shall provide a Certificate of Conformity, signed by an authorised representative, certifying that the Supplier's Quality assurance function has confirmed the material/product conforms to requirements and is accepted for release, which must accompany the delivered material/product.
- 11.3. Where the Buyer specifies through the Purchase order that the material/product is subject to Source Inspection and is to be inspected by the buyer or their representative before final packaging and despatch, the Supplier shall notify the Buyer of planned deliveries and hold shipment until either the material/product has been inspected and authorisation to ship provided by the Buyer or the Buyer releases the Supplier from the Source Inspection requirement for the specific delivery.
- 11.4. All products must be suitably packed for protection during handling and transportation to ensure their arrival in good order and condition. Specific packaging requirements may be defined within the Hardman Bros. Pty Ltd Purchase order. Unless otherwise expressly agreed in writing, the cost of temporary storage, packing and delivery is borne by the Supplier.

### 12. Supplier personnel communications and awareness

- 12.1. The supplier shall ensure use appropriate methods to ensure that persons under its control are aware of:
- their contribution to product or service conformity
  - the potential risks posed by the suspect product and counterfeit materials
  - their contribution to product safety
  - the importance of ethical behaviour