

## **AUCOM ELECTRONICS LIMITED** **STANDARD TERMS AND CONDITIONS OF PURCHASE**

Purchase Orders placed by AuCom Electronics Limited (hereafter referred to as the Company) for the supply of Goods and/or services, are subject to the standard terms and conditions listed herein. If you accept our Purchase Order it will be on these Terms and no other standard terms. Equally, if you make a counter-offer which is not clearly labelled as such (or as a rejection of our Purchase Order), no subsequent behaviour of ours in accepting performance can be taken to imply any acceptance by us of that counter-offer. These Terms can only be changed, or other terms agreed, in written correspondence signed by the Company's Purchasing Manager or a Company Director.

### **DEFINITIONS**

- 'Company' shall refer to AuCom Electronics Limited.
- 'Supplier' shall refer to the vendor stated on the Company's Purchase Order.
- 'Goods' is understood to be synonymous with services.
- 'Terms' shall refer to this document in its entirety.
- 'Purchase Order' shall refer to the formal written document sent to the Supplier by the Company requesting delivery of Goods.

Words referring to the singular only also include the plural and vice versa where the context requires.

### **ORDER MANAGEMENT**

1. The Company accepts responsibility for Purchase Orders issued on the Company's official form and by an authorised signatory of the Company.
2. Once issued no variation to a Purchase Order will be accepted unless such variation is approved in advance and in writing by an authorised signatory of the Company.
3. The Company reserves the right to reject and therefore not pay for any article found to be defective or inferior in quality either on receipt, or during any process in its works. In the absence of specifications or samples, all Goods supplied are subject to the Company's approval. Any deviation from the specification or accepted samples will give the Company the right to cancel a Purchase Order in whole or part.

4. Purchase Orders are placed on the basis of time being of the essence. The Company reserves the right to cancel any Purchase Order either wholly or in part, without redress if not executed within the time specified on the Purchase Order.
5. The Company reserves the right to amend, cancel and/or reschedule delivery dates as may be necessary from time to time.
6. The Supplier will not provide substitute Goods, unless agreed in advance and in writing by an authorised signatory of the Company.

### **PAYMENT AND OWNERSHIP**

7. Payment for Goods shall be made 60 days from the invoice date, unless agreed otherwise in writing. The Company reserves the right to postpone payment if the invoice date is in advance of the delivery date stipulated on the Purchase Order.
8. Title to the Goods will pass upon receipt by the Company of the invoice for the purchase price by the Supplier to the Company. If it shall be held that title to the Goods shall not pass to the Company as provided, then the Supplier shall indemnify and hold harmless the Company against any and all consequences arising therefrom.
9. Despite the above clause the Supplier acknowledges that even though title in the Goods may have passed to the Company that it continues to bear the risk for the Goods until they are received by the Company. The Supplier will therefore insure the Goods until these are received by the Company and hold any proceeds of this insurance on trust for the Company.

## DELIVERY

10. All Goods from New Zealand Suppliers to be delivered carriage paid to the Company's works or to other addresses specified on the Purchase Order, unless otherwise agreed.
11. All Goods from Suppliers outside New Zealand to be supplied DDP (Incoterms 2010) to the Company's works or to other addresses specified on the Purchase Order, unless agreed otherwise.
12. Cases and packing materials to be supplied free. Where requested by the Supplier empties will be returned at the Supplier's expense, but no liability will be accepted by the Company in respect thereof.
13. Suppliers shipping Goods from outside New Zealand will abide by all applicable laws and regulations and will declare on customs invoices that no chaff, straw or hay has been used in packing Goods and any wood packaging material is certified as compliant with International Standard for Phytosanitary Measures No 15 (ISPM 15 - 2002) or any standard replacing this standard.
14. At the time of shipment one copy of the packing slip referencing the Company's Purchase Order number, line number, release number, part number, quantity, numbers of packages and the methods and route of transport, must be faxed or e-mailed to the fax or e-mail address stated on the Company's Purchase Order and one copy of the packing slip must accompany the Goods being shipped.
15. When delivery is not completed by the delivery date on the Purchase Order, the Company at its sole and absolute discretion may require the Supplier to use whatever means of delivery the Company requires to ensure delivery within a timeframe acceptable to the Company with all extra costs being paid by the Supplier.

## PATTERNS, TOOLS AND DRAWINGS

16. All patterns, tools and drawings supplied or paid for by the Company shall at all times be the property of the Company and the Company owns all intellectual property rights in them, including copyright. The Supplier will not do anything to alter the intellectual property rights of the Company. The Supplier agrees to do anything necessary to assist the Company to

protect its intellectual property rights, including the registration of the rights where applicable. The Supplier must ensure that all patterns, tools and drawings supplied or paid for by the Company are covered by comprehensive insurance whilst in the Supplier's possession and it is the Supplier's responsibility to ensure that all equipment on loan be adequately identified as the Company's and stored and protected.

17. If there is a need to repair, replace or renew any tool (whether due to Supplier's negligence or not) the Supplier shall notify the Company immediately so that the Company may ensure its future supplies.
18. Whether loss or damage is caused by the Supplier's negligence or not, the Supplier must at its expense promptly and satisfactorily repair or replace all tools lost or damaged or at the Company's request pay for repair or replacement by the Company. Without prejudice to the foregoing the Supplier will at its expense insure in the joint names of itself and the Company against all loss and damage. It is understood that normal wear and tear of a tool(s) is excluded from this clause.
19. The Supplier must return the patterns, tool(s) and drawings upon request by the Company at any time after the Purchase Order date for delivery of the Goods.

## COMPLIANCE OF GOODS

20. Unless agreed otherwise and in writing, all Goods and their components supplied to the Company must be compliant with RoHS Directive 2002/95/EC. The Supplier may not substitute a compliant component or material with a non-compliant component or material without written authorisation from the Company. The Supplier is to obtain and hold RoHS certification for all components, materials and any sub-contracted processes and make such certification available on request.
21. Unless agreed otherwise and in writing, all Goods supplied to the Company must be compliant with Underwriter Laboratories Incorporated (UL). The Supplier may not substitute a compliant component or material with a non-compliant component or material without written authorisation from the Company. The Supplier is to obtain and hold UL certification for all

components and materials and make such certification available on request.

22. All moisture sensitive and / or ESD sensitive electronic devices must be suitably handled, identified (including ESD Class) and packaged as per IPC/JEDEC Standard J-STD-033B October 2005 ("Handling, Packing, Shipping and use of Moisture/Reflow Sensitive Surface Mount Devices") and ANSI/ESD S541-2003 ("For the Protection of Electrostatic Discharge Susceptible Items Packaging Materials").
23. All Goods supplied shall meet the requirements of JEDEC standard J-STD-002B February 2003, 'Solderability Tests for Component Leads, Terminations, Lugs, Terminals & Wires' / or JESD22-B102E October 2007 'Solderability'.

#### MISCELLANEOUS

24. If the supply or use of any of the Goods shall be held to constitute an infringement of any Patent, Registered Design, Trade Mark, or any form of intellectual property rights, the Company or any person at any time in possession of such Goods or things manufactured by the Company from any such Goods shall be indemnified by the Supplier against all damages, cost, losses, (including consequential loss), charges, or expenses thereby incurred. The Supplier will further, if required by the Company, conduct any legal proceedings which may be necessary at the Supplier's risk and expense.
25. All Purchase Orders placed by the Company are strictly confidential. The Supplier must not publish or cause to be published by any means whatsoever any details concerning the Goods, or the subject of any Purchase Order, without the Company's previous written consent.
26. In the event of insolvency, bankruptcy or liquidation of the Supplier the Company shall be at liberty:
- a) to cancel the Purchase Order summarily by notice in writing without compensation to the Supplier, and /or;
- b) to withdraw all the Company owned materials, tools, jigs, fixtures, artworks and drawings, and /or;
  - c) to give any such Receiver or Liquidator or other person the option of carrying out the Purchase Order.
27. These Terms constitute the entire agreement between the parties concerning its subject matter, and supersedes any previous accord, understanding or agreement, express or implied. Each party confirms that it has not relied upon any representation not recorded in these Terms inducing it to enter into this contract. No variation of these Terms shall be valid unless it is in writing, refers specifically to these Terms and is duly signed and executed by the authorised representatives of both parties.
28. No failure by the Company to enforce any rights under these Terms will act as a waiver of any of the Company's rights.
29. Any costs incurred by the Company in enforcing its rights under the Terms are payable by the Supplier including legal costs on a solicitor-client basis.
30. No clause, sub-clause or their relevant parts in these Terms may be held to be unenforceable or void except for the judgment of a court of competent jurisdiction. Should any clause, sub-clause or part thereof be so held to be unenforceable or void the remaining clauses, sub-clauses and their relevant parts shall remain in full force and effect to the extent that they are capable of remaining operative having taken account of the said court's judgment.
31. Acceptance of a Purchase Order and/or delivery of Goods to the Company's works or to other addresses specified on the Purchase Order shall be deemed to be acceptance of these Terms.
32. This contract shall be subject to and be governed by New Zealand law. The Company will always attempt to settle any disputes in good faith through negotiation in the first instance. Any disputes which cannot be resolved shall be referred to courts of law in New Zealand.