

AERONTEC

TERMS AND CONDITIONS OF PURCHASE - QUALITY

All purchase orders placed by Aerontec shall be subject to the following specific Terms and Conditions under which Aerontec undertakes to purchase and the Supplier undertakes to supply the products and/or services as ordered by Aerontec. The purpose of these terms and conditions is to ensure that the requirements of Aerontec, its interested parties, and applicable standards are adequately imposed on Aerontec's suppliers.

1. The Supplier/manufacturer's approval as a Supplier to Aerontec of product or service is dependant upon a satisfactory completion of a Supplier Approval Questionnaire (for new suppliers), a successful quality audit (if required by Aerontec's Quality Manager) and satisfactory performance in terms quality and delivery of the first order. Continued approval is subject to ongoing satisfactory performance in terms of total quality in terms of product and/or service provided.
2. Delivery of items or services shall be done strictly in accordance with the PO requirements. No alternative or substitute product may be delivered without Aerontec's written consent. All items supplied to Aerontec must be factory new and the Supplier/manufacturer warrants that no surplus or second-hand items will be used to fulfill any PO (i.e. the Supplier/manufacturer shall not supply Aerontec with suspected unapproved, unapproved or counterfeit parts).
3. In terms of supply to Aerontec, approved Supplier/manufacturers shall adhere strictly to the scope of supply and conditions of their end customer approvals where the Aerontec PO states that the order is "In furtherance of a (*customer name*) contract/order". The Supplier/manufacturer shall, when required, certify deliveries by annotating their own and end customer approval numbers on substantiation documentation.
4. Acceptance of an Aerontec PO implies undertaking by the Supplier/manufacturer to deliver goods in terms of the PO and these Standard Terms and Conditions, and the Supplier/manufacturer warrants that such an undertaking shall be fulfilled.
- 5.1 Delivery of goods must be accompanied by a delivery note as well as any mandatory substantiation documentation as may be required such as:
 - Materials - A certificate of conformance from the manufacturer shall be delivered with each batch of materials. This certificate of conformance shall contain the product description/code, batch number, expiry date (if applicable), the specification against which it was released (if applicable) and the customer purchase order number. Each certificate of conformance shall have a unique number.
 - Equipment – Equipment shall be delivered with installation and operating instructions and a calibration certificate (if the purchase order requested a calibration certificate).
 - Calibration/Equipment Servicing - The equipment shall be returned together with a calibration / servicing certificate (containing the equipment description, serial number, range and number of points calibrated, accuracy, results and standard(s) to which calibration was performed). Traceability shall be provided back to national or international standards. A calibration label shall be affixed to the equipment.
 - Test Report - A laboratory report shall contain the material tested, batch number, sample date, test method/standard, results, accept/reject limits and the pass/fail results of all samples.
 - Authorized Release Certificate – as applicable.
- 5.2 The above documents together with Aerontec's Inspection Report shall form part of the product acceptance criteria, as well as evidence of verification data.
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6. The Supplier/manufacturer undertakes to package the items for transport in such a manner as can reasonably be expected to afford adequate protection to the items during transportation to Aerontec or in accordance with the specification called up on the PO (if any).
7. All products sold by the Supplier/manufacturer to Aerontec shall conform to the manufacturer's specifications set forth in the relevant product specification. Aerontec will inspect all items delivered to it and shall notify the Supplier/manufacturer promptly of any shortage, defect, damage, purchaser test failure, or any other delinquency. The Supplier/manufacturer shall give immediate attention to the matter and shall resolve such promptly to the complete satisfaction of Aerontec. Should such delinquency not be resolved within a period of six (6) months from the date of notification to the Supplier/manufacturer, Aerontec shall have the right to claim liquidated damages from the Supplier/manufacturer up to the purchase price of the item.

8. Non-conforming product notification to Aerontec:
- Non-conformance identified prior to delivery - Aerontec's written approval to ship the product shall be obtained before shipment – based on written consent from Aerontec's customer.
 - Non-conformance identified after delivery – Aerontec's Quality Department and the Aerontec Buyer shall be advised within one (1) working day of such non-conformance immediately upon discovery by the Supplier/manufacturer. The acceptance for use, or disposal thereof of the non-conforming product will be defined by Aerontec's customer.
9. Any changes to the product and/or the process definition shall be immediately notified to Aerontec's Quality Department and their written approval must first be obtained before delivery of the item.
10. The Supplier/manufacturer agrees that Aerontec, any of their interested parties and regulatory authorities shall be granted the right of access at any reasonable time to all the Supplier/manufacturer's facilities relating to the PO product or service and to all the relevant records relating thereto. Arrangements in this regard will be made by Aerontec's Quality Department if, and when required.
11. Supplier/manufacturers will be sent a Corrective Action Request (CAR) for all non-conformance incidents. Should any significant (as defined solely by Aerontec) problems occur in either the delivery or quality of the product, Aerontec shall, by means of the CAR, indicate that a formal corrective action response is required. The Supplier/manufacturer shall undertake to respond formally to Aerontec within the requested time period after receipt of the CAR. The quality of the response must be to the satisfaction of Aerontec's Quality Department. An unsatisfactory response and/or resolution of the CAR may result in the cancellation or suspension of the Supplier/manufacturer's approval status.
12. The Supplier/manufacturer's quality management systems must at least be compliant with the applicable requirements of the ISO9001 standard and the Supplier/manufacturer must preferably be third party ISO9001 certified. Preference could be given to Supplier/manufacturers that are compliant/certificated to the AS91XX series.
13. The Supplier/manufacturer shall inform Aerontec Quality Department of any change in its business address, name changes, significant changes to its quality systems processes or procedures, products or services, change of ownership or changes in the posts of any key personnel, and/or change of external providers.
14. The approval by Aerontec of the Supplier/manufacturer does not constitute a waiver of any contractual requirements and does not guarantee acceptance of items or services supplied. Final acceptance of products or services shall be subject solely to Aerontec Quality Control acceptance.
15. All records that are created by and/or retained by a Supplier/manufacturer in support of a Aerontec PO, including, but not limited to certificates of conformance, test reports, and chemical analysis related to the manufacture of product, supply of materials or service(s) supplied to Aerontec under a purchase order, shall be maintained by the Supplier/manufacturer. Records shall be kept in a suitable environment, clearly identified, formally controlled, and shall not be destroyed without the written permission of the Quality Manager or GM of Aerontec. Record retention periods required by Aerontec are as follows:
- Commercial records – End of contract date plus 6 years or as per contractual requirements.
 - Documents which support the production, identification and traceability of the product – LOP plus 6 years.
 - Inspection, test and conformance records - LOP plus 6 years.
 - Control of inspection, measuring and test equipment records – LOP plus 6 years.
 - Non conformance records – LOP plus 6 years.
 - Corrective actions records – LOP plus 6 years.
16. The Supplier/manufacturer undertakes to roll down these Terms and Conditions to its own Supplier/manufacturers/subcontractors pursuant to any purchase order from Aerontec.
17. Should there be any conflict between the Supplier/manufacturer's Terms and Conditions of Sale and/or Delivery and the Aerontec PO and/or Aerontec's Terms and Conditions of Purchase, the Aerontec PO and/or Aerontec Terms and Conditions of Purchase shall take precedence.
18. The Supplier/manufacturer shall ensure that any product affected by shelf life provisions shall have a minimum of 80% shelf life remaining upon delivery at Aerontec's premises. Should this not be achievable, Aerontec shall be informed without delay and before order acceptance by the Supplier/manufacturer.

19. The Supplier/manufacturer shall ensure that key personnel are adequately skilled and competent to perform their job function, and are fully aware of their contribution towards the product or service conformity, product safety, and the importance of ethical behavior.
20. Suppliers and/or manufacturers who have been designated by Aerontec's customers should hold approval certificates from the Aerontec customer (if applicable).

Effective Date: 5 June 2017