

**VICTORIA DROP FORGING CO. LTD**

**PURCHASE ORDER TERMS AND CONDITIONS**

**1 DEFINITIONS**

**BUYER**-shall mean Victoria Drop Forging Co. Ltd.

**SELLER/SUPPLIER** (external provider)-shall mean the person on whom the order is placed

**ORDER**-shall mean the purchase order

**GOODS**-shall mean the external provider delivered under contract

**CONTRACT**-shall mean any contract resulting from the purchase order

**SERVICES**-work or process received under contract

**2 ACCEPTANCE OF ORDER**

This purchase order constitutes the buyers offer to the seller / external provider and is a binding contract on the terms and conditions set forth herein when accepted by the seller / external provider by an order acknowledgement or the commencement of supply of the goods / services thus the buyer shall constitute the external provider's acceptance of order.

An advice note / delivery notice bearing the buyers official order number must be sent to the buyer on the same day of despatch of goods and a copy of such advice note / delivery note bearing the buyers order number must be enclosed with the goods.

**3 INVOICES AND STATEMENTS**

All invoices showing the buyers order number and description of goods / services received and part numbers must be despatched within seven days after despatch of goods or receipt of service. A statement of account must be submitted in due time to permit payment in 60 days.

**4 DELIVERY**

Delivery shall be strictly in accordance with the delivery schedule in the order. If delivery or completion of order is delayed by any circumstance of a force of majeure nature a reasonable extension of time may at the buyer's option be granted provided that written confirmation of such delay is given immediately same arises.

The buyer however reserves the right to cancel an order either wholly or in part without liability if delivery is not affected, or if the work is not completed within the time stated on any agreed extension. If the supplier delivers quantities more than the quantity due the buyer shall have the right to accept or reject the quantity more than that due.

The buyer shall not be obliged to accept delivery of goods prior to the delivery date and if the seller shall do so the date for payment shall be calculated according to the due delivery date.

**5 DELIVERY INSTRUCTIONS**

Unless instructed to the contrary by the buyer. External provider shall deliver the goods carriage payed to the place of destination specified on the order at the external provider's risk. All goods in transit must be properly insured by the external provider the buyer reserves the right to collect the said goods in its own vehicle in which event the external provider shall make due allowance to the buyer in respect of any carriage not incurred.

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**6 ACCEPTANCE AND REJECTION**

All goods will be subject to inspection and acceptance by the buyer within a reasonable time after receipt at the designated destination (8.4.2 Verification activities of externally provided processes, products, and services, shall be performed according to the risks identified by the buyer. These shall include inspection or periodic testing, as applicable and when there is high risk of nonconformities including counterfeit parts).

The buyer retains the right to reject any goods that are deemed defective or not attaining the level of workmanship required as per the purchase order. Any goods rejected may be returned to the seller at seller’s risk and expense. No defective article or material shall be replaced unless requested by the buyer.

Certificate of conformance record (required for goods intended for aircraft applications and for goods where required on the relevant drawing or requested by customer) shall include the buyers part number, purchase order number, quantity shipped, part number, batch / lot number, material certification and certificate of quality management system. The C of C must be signed to indicate compliance and must be submitted by the seller or held secure by the seller for a period stated on the purchase order.

The batch / lot number recorded (required for goods intended for aircraft applications and for goods where required on relevant drawing or requested by customer).

Deliveries of parts / components with multiple batch / lot numbers must be packed segregated and each part / component identified by batch / lot number. The associated paperwork must reflect quantities and batch / lot numbers delivered.

All goods must be suitably preserved and packed by the external provider in the absence of an intimation to the contrary at time of quote any packing boxing and crating is non-chargeable and non-refundable.

Any charge for packing must be quoted and agreed with the buyer prior to issue of purchase order.

First Article Inspection (required for goods intended for Aircraft Applications and for goods where required on the relevant drawings or requested by customer).

The buyer requires all first deliveries of parts to include a full first article inspection report filled out by the supplier. The first off must be clearly marked on the part and on the FAI Report.

If there is a drawing change and there is a change in fit, form or function of the part then an FAI report must be resubmitted for the change / update only.

The FAI should confirm that all processes materials and dimensions are met. In the case of raw material or processes proof of acceptance shall be made available through records or attached retained certificates.

Any discrepancies detected by the external provider during FAI shall notify the buyer and concession sought in advance of any parts being shipped to the buyer without an approved concession from the buyer. Failure to comply with this requirement will result in the buyer rejecting the goods.

The external provider shall retain verifiable objective evidence of inspection and process reports. Quality records shall be made available to the buyer upon request for a contractual agreed period. If not specified this period should be life of the aircraft.

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**7 FOD PREVENTION**

The external provider shall assure that work is accomplished in a manner in preventing foreign objects or debris or material from entering and remaining in deliverable items. This, of which could potentially degrade the product's required safety and / or performance characteristics causing damage.

**8 NOTIFICATION OF NON-CONFORMING PRODUCT AND CHANGE**

The external provider shall notify the buyer of changes in product or process change and where required obtain approval from the buyer.

The seller shall notify the buyer of changes of external provider's, change in manufacturing location and change in location of material source and where required obtain approval from the buyer (8.4.3 When appropriate the external provider shall notify the buyer of nonconforming processes, products, or services and obtain approval for their disposition preventing the use of counterfeit parts).

**9 ETHICS**

The external provider shall comply with the Aerospace Industries Association of America (AIA) and Defence Industries Association of Europe (ASD) "Global Principles of Ethics in the Aerospace & Defence Industry". Reference to the above can be found at <https://www.aia-aerospace.org/> and <http://www.asd-europe.org/>.

**10 COUNTERFIT GOODS**

The external provider warrants that only new, authentic, genuine, legitimate and unused goods shall form part of the supplies to the buyer. The external provider shall maintain a method of traceability that ensure tracking of the supply chain back to the manufacturer of all goods supplied.

If counterfeit or suspected counterfeit goods are supplied under the purchase order such goods shall be guaranteed. The external provider shall replace such goods with goods acceptable to the buyer.

The external provider shall be liable for the costs related to guarantee and replacement of goods (8.4.3 when appropriate the external provider shall notify the buyer of nonconforming processes, products, or services and obtain approval for their disposition preventing the use of counterfeit parts).

**11 CONFIDENTIALITY**

The terms of all orders of the buyer or information supplied by the buyer are strictly confidential.

**12 SUPPLEMENT**

The external provider shall comply with all, as reasonably practicable the AS9100D - clauses 8.4.

The external provider will flow down to sub tier external providers the applicable requirements in the purchasing documents, including key characteristics (8.4.1 The external providers shall apply appropriate controls to their direct and sub-tier external providers and 8.4.3 when appropriate, the external provider shall use customer-designated or approved external providers, including process sources (e.g., special processes) as required).

Right of Entry shall be granted to the buyer, their customers, and regulatory authorities, to all facilities involved with the order and to all applicable records, for the purpose of monitoring product quality (8.4.1.1 If deemed necessary a periodical review of external providers performance including process, product and service conformity, and on-time delivery performance shall be undertaken).

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Records resulting from the processing of orders shall be retained for a minimum of seven (7) years or life after completion of the buyers customer's contract or as otherwise required by that customer.

The external provider shall be responsible for lost or damaged of product as applicable.

The external provider shall be accredited to AS9100/ISO 9001 Quality Management System or equivalent (8.4.1 the external provider shall have, or working towards approval for their quality management system, have external provider approvals from government authorities or customers as appropriate).

The external provider shall ensure that persons / employees associated with the supply of good's or service are aware of;

Their contribution to product or service conformity,

Their contribution to product safety, and,

The importance of ethical behaviour.

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