

# Purchasing Terms and Conditions



TERMS AND CONDITIONS DETAILED FORM PART OF ALL AML'S PURCHASE ORDERS AND SERVICE ORDERS  
ACCEPTANCE OF A PURCHASE/SERVICE ORDER IMPLIES ACCEPTANCE OF THESE TERMS AND CONDITIONS

## 1. DEFINITIONS

“Contract” shall mean any contract resulting from this order

“Order” shall mean this purchase order

“Buyer” shall mean AML.

“Seller” and/or “Supplier” shall mean the person on whom this order is placed

“Goods” shall mean the supplies to be delivered under the contract and shall be deemed to include any service(s)

## 2. ACCEPTANCE

This purchase order constitutes buyer's offer to seller, and is a binding contract on the terms and conditions set forth herein when it is accepted by seller either by the acknowledgement or the commencement of performance hereunder. No condition stated by the seller in accepting or acknowledging this order shall be binding upon buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein unless accepted by buyers written approval. Unless otherwise determined by AML, the supplier will work to the drawings, instructions, specifications, acceptance criteria and any other relevant technical instructions as laid down in the purchase order.

## 3. QUALITY SYSTEM REQUIREMENTS FOR AML BY SUPPLIERS

- 3.1. All suppliers, if requested, are to provide evidence of approvals and provide dates for Surveillance Audits.
- 3.2. All suppliers must have a QMS/BMS that has been certified by a recognised auditing body, against the standards that AML wish to employ. Any changes to the approval once provided to AML need to be passed on by supplier.
- 3.3. Where special processes are required the supplier shall hold the relevant approvals, and confirm that employees have been trained so are competent to conduct these special processes.
- 3.4. In the event where a sub tier supplier is required the supplier shall only use customer designated or approved suppliers. The supplier shall flow down AML requirements to all sub tiers as applicable. AML will be notified, if applicable, of any changes to the suppliers sub tiers.
- 3.5. Supplier will notify AML of any changes to processes, products or services.
- 3.6. Supplier will have a system to prevent the use of counterfeit product.
- 3.7. Supplier should be in a position to demonstrate that their employees are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behaviour.

## 4. REVISIONS

No revision of this order of any of the terms and conditions hereof shall be valid unless in writing and signed by an authorised representative of buyer's purchasing department.

## 5. DELIVERY

- 5.1. Delivery shall be strictly in accordance with the delivery schedule set out in this order. Notwithstanding this provision, the seller shall not be liable for delays or defaults due to causes beyond its control and without its fault or negligence, provided however, that if the seller has reason

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to believe that deliveries will not be made as required, due to such cases, written notice setting forth the cause of any anticipated delays shall be given immediately to buyer.

- 5.2. The supplier shall complete and deliver the goods at the time or times specified in the order and in this respect time shall be of the essence.
- 5.3. The buyer may at any time or times by notice in writing to the seller postpone the date(s) of delivery of any goods without thereby incurring any liability and the seller shall deliver such goods on the revised date(s) so notified and shall not make any claim for adjustment in price or otherwise in respect of any such postponement unless otherwise agreed in writing by the buyer.
- 5.4. Supplier will provide documented evidence of product conformity.

## 6. DELIVERIES MADE

- 6.1. If the supplier delivers quantities in excess of the quantity due the purchaser shall have the right to accept or reject the quantity in excess of that due.
- 6.2. The buyer shall not be obliged to accept delivery of any goods prior to the delivery date and if the seller shall do so:
  - a) the buyer shall be entitled to charge storage to the supplier and
  - b) the date for payment shall be calculated according to the due delivery date

## 7. TERMINATION

Failure to comply with the specification, terms and conditions of this order, or to deliver material in accordance with sellers promise shall be grounds for cancellation without penalty to buyer.

## 8. ACCEPTANCE AND REJECTION

All articles will be subject to final inspection and acceptance by buyer within a reasonable time after receipt at the designated destination, irrespective of prior payment. Buyer may reject any article which contains defective material or workmanship or does not conform to specifications, samples or warranties. Any article so rejected may be returned to seller at seller's risk and expense, and at full invoice price plus applicable transportation charges both ways. No defective article or material shall be replaced unless requested by buyer.

## 9. RECORD RETENTION

In addition to contractual requirements the supplier shall retain verifiable objective evidence of inspection and tests performed. Quality records shall be made available for evaluation for a contractually agreed upon period. Unless otherwise specified, this period shall be indefinite, unless otherwise instructed by AML.

In the event that the supplier ceases trading, all relevant records shall be made available to AML.

## 10. NOTIFICATION OF NON-CONFORMING PRODUCT

The supplier is required to notify the buyer of any material or part that does not conform to the requirements or specification. Material or parts may not be shipped until written acceptance is received from AML.

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## 11. SUPPLY CHAIN FLOW DOWN

The supplier shall flow down to sub-tier suppliers all applicable requirements in the purchasing documents, including key characteristics where required.

## 12. ADDITIONAL CLAUSES APPLICABLE WHEN SPECIFIED ON THE PURCHASE ORDER

### 12.1. RIGHT OF ACCESS BY AML, THEIR CUSTOMER AND REGULATORY AUTHORITIES

In accordance with contractual agreements, right of access by AML, their customer, and regulatory authorities shall be afforded to all facilities involved in the order and to all applicable records,

### 12.2. CERTIFICATE OF CONFORMANCE

This quality record shall include the purchase order number, quantity shipped, date shipped, manufacturer's part number, details of certified quality system and, where applicable, the AML part number and manufacturer's date code (see 8.2 below).

It shall be signed by an authorised person to indicate compliance with the requirements of this document.

### 12.3. NOTIFICATION OF CHANGES

Changes to product design, process definition, raw material, suppliers / subcontractors, manufacturing method or location must be notified to the supplier. Material or parts may not be shipped until written acceptance is received from AML.

### 12.4. DATE CODE / LOT NUMBER CONTROL

Deliveries of parts/components with multiple date codes or multiple lot numbers shall be segregated such that each part/component is identifiable by its date code or lot number. The paperwork shall indicate where multiple date codes or lot numbers have been delivered, along with the associated quantity.

### 12.5. FIRST ARTICLE INSPECTION

A First Article Inspection Report (FAIR) shall be completed by the manufacturer using the format specified in AS9102. The article on which the FAI was performed shall be clearly marked on both the part and the report.

The FAIR shall confirm that all processes, material specifications and dimensions are met. In the case of raw material or process, proof of acceptability shall be made available either through records or attached certificates.

Any discrepancies detected by the manufacturer during the FAI shall be notified to AML and a deviation sought in advance of any parts being shipped to AML. No non-conforming part shall be sent to AML without written approval from AML.

Failure to comply with the above requirements will result in AML rejecting the product.

Where a FAIR already exists for a part, the drawing has been updated and there is a change in the form, fit or function of the part, then a partial FAIR may be submitted for the change/update only.

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## 12.6. LOSS OF APPROVAL

The supplier shall inform the buyer in the event of loss or withdrawal of any relevant approval.