



CONDITIONS OF PURCHASE ORDER

Reviewed 02/03/2022

Definitions:

The "Buyer" – OTM Servo Mechanism Ltd

The "Supplier" – Company or Organisation supplying goods to the Buyer

The "Goods" – Products or services ordered by the Buyer

1. The Buyer will not hold itself responsible for any goods supplied or work done unless an official order can be produced. These are the only conditions upon which the Buyer is prepared to contract with the Supplier.
2. The price quoted in the order shall be firm through the duration of the order, except where the Supplier and Buyer agree otherwise in writing and such agreement is. Unless otherwise stated, the purchase price shall be inclusive of carriage, insurance and freight costs and does not include VAT or any other tax or surcharge.
3. The Supplier shall make every effort to complete the order by the required delivery date. The Buyer shall be entitled to terminate the Order and/or claim reimbursement for all losses and expenses suffered in the event that:
 - a. the Supplier fails to deliver goods or provide services in accordance with the terms of the Order or
 - b. the Supplier fails to make progress with the Order so as to jeopardise the purpose of the Order.
4. All materials and workmanship to be first class. Nonconforming parts will not be accepted. Quantities in excess of order requirement will not be accepted without prior agreement.
5. 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. 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 the date for payment shall be calculated according to the due delivery date.
 - b. The supplier shall develop implement and maintain a program to prevent the risk of delivery of counterfeit parts/ materials to the buyer, all parts, materials and assemblies (Electrical, Mechanical, raw materials) shall be procured directly from the original component manufacturer (OEM) or from the OCM/OEM authorized distributor, If suspect or counterfeit parts/materials are supplied under the purchase order all such items will be quarantined and then ultimately destroyed, The supplier will promptly replace such counterfeit parts/materials with items acceptable to the buyer. The supplier shall be fully liable for all associated costs.
6. The Supplier shall recompense the Buyer for the cost of free issue material or parts supplied as part of the order if they are scrapped or damaged by the Supplier.

7. The Supplier accepts these conditions of order by acknowledging receipt or by beginning performance of the order. The order is liable to cancellation by the Buyer if not acknowledged by the Seller within 14 days from the date of the order. The Supplier also accepts the Buyer's customers conditions if they are referred to on the order.
8. The Buyer's inspector or representative and any inspector or representative of the Buyer's customer or any regulatory department concerned shall be entitled on the Buyer's authority to witness the manufacture, inspection or testing of the goods or work at any reasonable time at the supplier's premises.
9. The buyer when applicable requires that all first deliveries of parts to include a full first article inspection report that meets the requirements of EN9102 or full PPAP submission in accordance with AS9145 be filled out by the manufacturer. The sample, on which the FAIR/PPAP was performed, shall be clearly marked, both on the sample and the FAIR/PPAP report. Where the drawing has been updated and there is a change in the form, fit or function of the part, then a FAIR/PPAP must be submitted for the change/update only.
The FAIR/PPAP should confirm that all processes, materials and dimensions are met. In the case of raw material or process i.e. paint, chromate, Anodizing, proof of acceptability shall be made available either through records or attached certificates. Drawing notes should be referenced and their acceptance confirmed.
Any discrepancies detected by the manufacturer during the FAIR/PPAP shall be notified to the buyer and a deviation should be sought in advance of any parts being shipped to the buyer. Under no circumstances shall a nonconforming part be sent to the buyer without the buyers approved deviation. Failure to comply with the above requirements will result in the buyer rejecting the product.
10. REACH is the European regulations for Registration, Evaluation, Authorisation and Restrictions of Chemicals and please keep the Buyer fully informed about the presence of any REACH candidates listed substances in parts previously and also in any future deliveries made to the Buyer.
11. 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 a minimum of 20 years. The records shall include but not limited to, receiving certificates of conformity, raw material mill certificates, test results, documents of non-conformity and corrective actions, measuring and test equipment calibration documentation etc. After the retention period the buyer must be notified of the intent to dispose of any records and shall be given the opportunity for further retention at the buyer's premises, Raw material mill certificates must be maintained indefinitely.
12. Where identified within the specification, drawing and/or purchase order, the supplier shall flow to sub-tier suppliers the applicable requirements in purchasing documents, including key characteristics where required.
13. If within a period of 12 months from delivery of the Goods, the Buyer gives written notice to the Seller of any defect in the Goods (other than a defect caused by improper use by the Buyer) caused by faulty design, materials or workmanship, the Seller shall repair or replace the defective Goods without cost to the Buyer. It is also the Supplier's responsibility to inform the Buyer of any goods found to be defective or possibly defective at a later date after supply to the buyer.
14. The property and risk in the goods shall pass to the buyer on delivery to the point specified in the order.

15. 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. Packaging and Preservation: it is vital that all parts should be preserved appropriately to prevent handling damage, facility storage and prevent corrosion during manufacture and shipment. Packing should be appropriate to the parts supplied to prevent damage or as specified by the buyer, Shelf-life requirements shall be notified clearly stating expiry dates which should be clearly marked on all packaging, all chemicals shall be accompanied by the relevant safety data sheets (SDS) formerly called material safety data sheets (MSDS) with each shipment.
16. Any information divulged by the Buyer in the course of the supplier carrying out this order shall be treated in Confidence and shall not be disclosed to a third party.
17. All tools, gauges and patterns used in connection with this order which are the property of the Buyer and for which any payment is received from the Buyer, must not be destroyed or otherwise disposed of without written authority. The Supplier should keep all records appertaining to the goods supplied in this order for an indefinite period, unless agreed with the Buyer.
18. The Supplier shall indemnify the Buyer against and loss of or damage to the property of the Buyer and against any claims for injury to or death of any person or for loss of or damage to the property of any other person by reason of any negligent act or omission of the Seller or his employees, sub-contractors or agents arising out of the execution of the order.
19. The supplier shall use commercially reasonable efforts to develop and maintain business continuity practices regarding contingency management to alleviate the effects of any business impacting events that may have an adverse effect on the suppliers ability to perform its obligations under the purchase order, the business continuity shall contain as a minimum provisions of risk and business impact analysis to include prevention/mitigation panning, the preceding will cover, but not limited to (i) service documentation storage and protection including but not limited to storage of deliverable technical information, specifications and other documents, design documents, tools, process and fixtures (ii) Information system security and (iii) demonstrating suppliers ability to rapidly recover the loss of capability to deliver product and services.
20. All suppliers must meet the minimum legal or regulatory requirements for the goods supplied.
21. Without prejudice to any rights already accrued or accruing to the Buyer shall have the right to terminate this order in whole or in part at any time by giving Supplier notice in writing whereupon all work on this order shall be discontinued. The Buyer shall pay a fair and reasonable price of justified work in progress at the time of termination and the Supplier shall afford the Buyer every assistance to ascertain the extent of such work in progress. The amount payable to Supplier shall not in any event exceed the total amount that would have been payable to Supplier had this order not been terminated. In the event of termination Supplier shall submit a claim within 2 months of such termination after which time claim within 2 months of such termination after which time claims will only be met in exceptional circumstances.
22. The supplier is expected to develop, implement, and maintain effective policies and training programs to ensure their employees are aware of their relevant contribution towards quality, safety and conformity of their product and or service, the supplier will also ensure that the materials supplied will be free from foreign object debris.

23. Suppliers acknowledge and agree that OTM requires that the suppliers maintain a high standard of ethical conduct in all its dealings with OTM. The supplier where requested shall provide evidence of ethical not limited to anti-bribery, anti-child labour, anti-slavery and whistle blowing.
24. This order shall be subjected to and interpreted in accordance with the laws of England.

QUALITY CONDITIONS

The Supplier shall satisfy the requirements of the Supplier Quality Department as shown in Document SQA 001 – Supplier Quality Assurance Requirements and goods and work shall be inspected and released by the Supplier in accordance with the following requirements as shown on the face of the order:

- B. Batch segregation of items to ensure traceability to source
- C. Certificate of Conformity required
- E. EASA Form 1 required
- F. First Article Inspection required consistent with aerospace standard EN 9102A
- M. Material Certificate of Analysis / Full Test Certificate required
- O. Original Manufacture Certificate or Copies required
- S. Statistical Process Control Report required for KC features
- T. Test / Calibration Certificate required

DELEGATION OF VERIFICATION

1. Delegation of Product Verification can only be applied to those suppliers on the approved supplier list.
2. Records of periodic reviews shall be maintained for all suppliers, where 'Delegation of Verification' has been applied. A record of any withdrawals with justification shall be maintained.
3. Before 'Delegation of Verification' the proposed supplier's performance shall be to an acceptable level against agreed performance criteria (this shall include agreed product conformance levels). Verification of Performance criteria shall be a minimum of 3 months' worth of data.
4. Prior to granting delegation any outstanding corrective actions shall have been resolved.
5. The scope of delegation shall be defined (e.g., all products, limitations based on part classifications, part number, commodity, part family, part criticality).
6. The supplier shall notify in writing of acceptance of delegation.
7. Ongoing acceptance criteria to be documented.