



**AEROSUD STANDARD TERMS AND CONDITIONS OF PURCHASE**  
**(For supply of Goods, Subcontract Parts and/ Services)**

All Purchase Orders placed by Aerosud Holdings (Pty) Ltd and/or Aerosud Aviation (Pty) Ltd and/or Aerosud Technology Solution (Pty) Ltd, hereinafter together referred to as "Aerosud" or "Purchaser" shall be subject to the following Terms and Conditions. These Terms and Conditions of Purchase shall regulate the supply to Aerosud by the Suppliers of Goods, Subcontract Parts and/or Services ordered under a Purchase Order.

**1. OBJECT AND SCOPE**

- 1.1 The "Supplier" shall mean the business, company or individual upon which the Aerosud Purchase Order is placed.
- 1.2 The "Purchase Order" (PO) shall mean the request or order from the Purchaser to the supplier to supply Goods, Subcontract Parts and/ Services which will include the official Aerosud numbered document which shall contain, at least, the following details:
- (a) A Purchase Order Number
  - (b) The date the PO was raised
  - (c) A description of the items/services ordered
  - (d) A quantity of items ordered
  - (e) The unit of order
  - (f) A price per unit
  - (g) The total net price
  - (h) The VAT amount (if applicable)
  - (i) The total gross price
  - (j) The delivery address to which the items are to be delivered
  - (k) The address to which the Invoice must be sent
  - (l) The date on which the items should ship or the date by which the services must be completed.
  - (m) Special Terms and Conditions of that PO which must be adhered to.
- 1.3 The Supplier acknowledges that Aerosud shall bear no liability whatsoever toward the Supplier for any demand placed on the Supplier by any other means whatsoever except by means of an official Aerosud Purchase Order.
- 1.4 A Contract and the related supply of Goods, Subcontract Parts and/ Services by the Supplier shall be subject to (in this order of priority unless otherwise expressly provided in writing):
- (a) Purchase order (PO)
  - (b) the Special Terms and Conditions;
  - (c) these Standard Terms and Conditions;
  - (d) any document expressly included by reference in the Special Terms and Conditions, including without limitation, any special instructions (technical documentation, quality assurance, safety), the specified quantity of Products, quality, performance and/or timeframe/delivery dates, (together the Special Terms and Conditions and the Standard Terms and Conditions shall be referred to as the "Terms and Conditions")
- 1.5 If the Supplier already has a legal current contract/agreement with Aerosud any aspect in conflict between the contract/agreement and the PO, the PO shall take precedence but all other Terms and Conditions of the contract/agreement shall continue to apply.
- 1.6 If the Supplier does not have a contract/agreement with Aerosud, then these Standard Terms and Conditions shall apply and shall be governed by the laws of the Republic of South Africa. The United Nations Convention on the International Sale of Goods shall not apply.
- 1.7 The PO shall be acknowledged by the Supplier within 48 hours of receipt failing which the Terms and Conditions on the PO shall be deemed to have been accepted by the Supplier. Should the Supplier not be in agreement with the Terms and Conditions of the PO, such shall be communicated to Aerosud in writing within the 48 hour period.

**2. SUPPLY OF GOODS AND SUBCONTRACT PARTS AND SERVICES**

The supplier shall sell and supply to Aerosud, and Aerosud shall purchase from the Supplier, such Goods as Aerosud orders [by way of Purchase Order] from time to time from the Supplier at the applicable prices as set out in the PO and upon the terms and conditions set out in this Agreement.



**AEROSUD STANDARD TERMS AND CONDITIONS OF  
PURCHASE  
(For supply of Goods, Subcontract Parts and/ Services)**

**3. DELIVERY OF GOODS AND SUBCONTRACT PARTS**

- 3.1 Delivery of goods shall be done strictly in accordance with the PO requirements. No alternative or substitute goods may be delivered without Aerosud's written consent. All goods supplied to Aerosud must be factory new and the Supplier warrants that no surplus or second-hand items will be used to fulfil any PO.
- 3.2 The delivery date stated on the PO shall be the date on which the goods must be ready for pick up at the Supplier's premises.
- 3.3 The Supplier shall ship the goods via the Freight Forwarder identified by Aerosud.
- 3.4 The Supplier confirms that it shall comply with all the relevant laws of its country regarding the supply of the goods to Aerosud and declares that Aerosud shall be free and held harmless from any legal non-conformance whatsoever in the Supplier's country.
- 3.5 The Supplier agrees to accept changes to the delivery dates stated in the POs including cancellation of POs which are beyond the normal delivery lead times of the goods without penalty or obligation to Aerosud.

**4. DELIVERY OF SERVICES**

The Supplier must –

- 4.1 Ensure that delivery of the service is done strictly in accordance with the PO requirements. No alternative or substitute service may be delivered without Aerosud's written permission.
- 4.2 Ensure that the delivery date of the service is the date agreed on in the PO.
- 4.3 render the Services agreed upon to Aerosud in accordance with at least the practices and the highest professional standards in well managed entities providing similar services to these Services herein agreed;
- 4.4 at all times exercise all reasonable skill, care and diligence in rendering the Services and in the performance of all its obligations in terms of this Agreement;
- 4.5 observe and comply with all reasonable directives from time to time issued by Aerosud in relation to the Services;
- 4.6 refrain from engaging in any activity that may prejudice the business of Aerosud or place it in risk;

**5. VARIATION OF THE SCOPE OF SERVICES**

- 5.1 Aerosud may in writing inform the Supplier that the performance of a particular Service is no longer required, in which case that particular Service will cease to be part of the Services from the date that the Supplier is so informed in writing to that effect.
- 5.2 Aerosud may in writing request from the Supplier that:
  - (a) the performance of an additional service should become part of the Services;
  - (b) a variation be made to a particular element of the Services or the performance of the Services; and/or
  - (c) a change be made to the date for commencement of the Services or any part of the Services,

in which case the Parties shall use their respective reasonable endeavours to consent to the variations, which consent shall not be unreasonably withheld upon the treatment of that request and to amend this Agreement, accordingly, together with the PO. In the event of either party's refusal to consent to a contract variation request, the other party may refer the matter for dispute resolution, set out in terms of this Agreement

**6. PERSONNEL RENDERING THE SERVICES**

- 6.1 The Services shall be rendered by or under the ultimate supervision of the Personnel listed in a Schedule of this Agreement or in the PO and such Key Personnel shall direct and control the rendering of the Services.
- 6.2 The Personnel of the Supplier or any replacement person approved by Aerosud from time to time shall have full authority to act on behalf of the Supplier for all purposes in connection with this Agreement and if present, shall represent the Supplier at each and every meeting (where applicable).
- 6.3 The Service Provider shall use only their listed Personnel and should the Service Provider use other personnel or consultants, such consultants shall have to be approved by Aerosud, in the rendering of the Services and such persons shall be available substantially for so long as may be necessary to ensure the proper rendering by the Supplier of the Services.
- 6.4 The Supplier shall not remove any of the Personnel without the prior written approval of Aerosud, which approval shall not be unreasonably withheld or delayed. Aerosud shall have the right after consultation with the Supplier to request the removal of any person engaged in the rendering of the Services if, in Aerosud's opinion, that person's performance or conduct is or has been unsatisfactory and the Supplier shall then promptly remove the



**AEROSUD STANDARD TERMS AND CONDITIONS OF  
PURCHASE  
(For supply of Goods, Subcontract Parts and/ Services)**

person so specified. The Supplier shall be responsible for replacing such person with a person who has been approved by Aerosud.

**7. QUALITY**

- 7.1 The Supplier's approval as a new supplier to Aerosud of aerospace related goods or service is dependent upon a satisfactory completion of a Potential Supplier Profile Questionnaire, a successful quality audit (if required by Aerosud's Quality Department) 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 goods and/or service provided.
- 7.2 In terms of supply to Aerosud, approved suppliers shall adhere strictly to the scope of supply and conditions of their end customer approvals.
- 7.3 Delivery of goods must be accompanied by a Delivery Note as well as any mandatory substantiation documentation as may be required such as Certificates of Conformance, Inspection Reports etc.
- 7.4 The Supplier undertakes to package the goods for transport in such a manner as can reasonably be expected to afford adequate protection to the goods during transportation to Aerosud or in accordance with the specification called up on the PO.
- 7.5 The Supplier shall implement all necessary quality controls to ensure that the Goods meet the agreed Specifications.
- 7.6 The Supplier agrees that Aerosud, their Customers and regulatory authorities shall be granted the right of access at any reasonable time to all the Supplier'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 Aerosud's Quality Department if and when required.
- 7.7 All goods sold by the Supplier to Aerosud shall conform to the manufacturer's specifications set forth in the relevant product specification.
- 7.8 Subcontract Parts and Services, sold by the Supplier to Aerosud shall conform to the requirements.
- 7.9 Aerosud will inspect all goods delivered to it and shall notify the Supplier promptly of any shortage, defect, damage, purchaser test failure, or any other delinquency. The Supplier shall give immediate attention to the matter and shall resolve such promptly to the complete satisfaction of Aerosud. Should such delinquency not be resolved within a period of six (6) months from the date of notification to the Supplier, Aerosud shall have the right to claim liquidated damages from the Supplier up to the purchase price of the item.
- 7.10 Non-conforming product notification to Aerosud:
  - (a) Non-conformance identified prior to delivery: Aerosud's written approval to ship the product shall be obtained before shipment
  - (b) Non-conformance identified after delivery: Aerosud Quality Assurance Department and the Aerosud Buyer shall be advised of such non-conformance immediately upon discovery by the Supplier
- 7.11 Any changes to the goods and/or the process definition shall be immediately notified to Aerosud's Quality Assurance Department and their written approval must first be obtained before delivery of the item. . Any changes which result in a variation to the price and/or programme shall be formally agreed via a PO amendment before such changes are implemented
  - (a) Sub-contractors to Aerosud shall not offload or further sub-contract any statement of work or any part thereof without the express written permission to do so by Aerosud.
- 7.12 The Supplier shall provide a warranty on the goods and/or services for a period of no less than twelve (12) months from the delivery date unless otherwise agreed in writing.
- 7.13 Suppliers will be sent Quality Notifications (QN's) for all non-conformance incidents. Should any significant (as defined solely by Aerosud) problems occur in either the delivery or quality of the product, Aerosud shall identify on the QN that a formal corrective action response is required. The supplier shall undertake to respond formally to Aerosud within the requested time period after receipt of the QN. The quality of the response must be to the satisfaction of Aerosud's Quality Department. An unsatisfactory response and/or resolution of the QN may result in the cancellation or suspension of the Supplier's approved status. The Supplier shall remedy any defects and/or deficiencies in the goods/services providing the QN has been received by the Supplier during the Warranty Period.
- 7.14 Where Aerosud relies on the Supplier's Inspection Reports as a basis of acceptance, the Supplier shall permit Aerosud to check the calibration of the Supplier's equipment relating to the manufacture or conformance verification of the product.
- 7.15 The Supplier shall disseminate the Terms and Conditions of this document to its supply chain (sub-tier suppliers) including any and all key characteristics as specified on the PO.
- 7.16 Supplier's quality management systems must satisfy the applicable requirements of the AS/EN9100 Aerospace standard and the supplier must preferably be third party AS/EN9100 certified and listed on the OASIS database. Product specific Quality Assurance Plans will be requested by Aerosud's Quality Department if required.



**AEROSUD STANDARD TERMS AND CONDITIONS OF PURCHASE**  
**(For supply of Goods, Subcontract Parts and/ Services)**

- 7.17 The Supplier shall inform Aerosud Quality Assurance Department of any change in its business address, name changes, significant changes to its quality systems or procedures, change of ownership or changes in the posts of any key personnel.
- 7.18 The approval by Aerosud of the Supplier does not constitute a waiver of any contractual requirements and does not guarantee acceptance of goods or services supplied. Final acceptance of goods or services shall be subject solely to Aerosud Quality Control acceptance.
- 7.19 Attention to Subcontractors: CATIA model data, in its native status will be used as supplied by Aerosud for the manufacture of machined or fabricated parts. No derivative data is permitted for CMM inspection of machined or fabricated parts.
- 7.20 Records that are created by and/or retained by a supplier in support of Aerosud PO's, shall be retained in accordance with the following requirements that may apply individually or collectively as applicable: prEN9130, Airbus A1001.0 & A1001.0 App A, supplier QMS in accordance with AS/EN9100, specific contractual agreements between Aerosud and the supplier.

**8. RISK AND TITLE**

- 8.1 Risk of the goods shall pass to Aerosud in accordance with Incoterms® 2010 providing however that such delivery is made correctly and with due diligence, with the correct and complete documentation having been submitted as required.
- 8.2 Title of the Goods shall remain with the Supplier until payment in full has been made by Aerosud to the Supplier, at which instance ownership shall pass to Aerosud.

**9. INVOICING AND PAYMENT**

- 9.1 All payments are conditional upon receipt by the Purchaser of the:
- 9.1.1 Supplier's Tax invoice that complies in all instances, if applicable, with the Value Added Tax Act (Act 89 of 1991) (or any amendments and/or substitutions thereof)
  - 9.1.2 Supplier's Tax invoice must reflect the approved Purchase Order number or line number
  - 9.1.3 Proof of signed acceptance of goods or services.
- 9.2 Payment will be made as per the payment terms set out in the Purchase Order. If no terms appear on the Purchase Order, the Purchaser will pay the Supplier ninety (90) days after date of statement.
- 9.3 The Purchaser shall not be liable for any interest for late payments unless expressly agreed otherwise in writing by the Purchaser.
- 9.4 All payments shall be made by means of electronic funds transfer only.
- 9.5 The Purchaser may refuse payment of any tax invoice which it may contest.

**10. INTELLECTUAL PROPERTY**

- 10.1 The Supplier warrants that neither the supply of goods, the use of the goods by the Purchaser, nor any design, materials, documents and methods of working provided by the Supplier in the performance of the services will infringe any patent, design, trade mark or name, copyright or other protected right, whether registered or not.
- 10.2 In this regard, the Supplier shall indemnify the Purchaser against all liabilities, damages, claims, losses, costs and all other expenses (including legal costs) whatsoever that the Purchaser may incur as a result of any alleged infringement or infringement of intellectual property rights.
- 10.3 Title to, copyright in and other intellectual property rights in any documents or other property created by the Supplier for or in connection with the services vests in the Purchaser on creation and the Supplier hereby cedes and assigns all such rights to the Purchaser with effect from the date of creation in order to vest such intellectual property in the Purchaser.

**11. LIMITATION OF LIABILITY**

- 11.1 Neither the Purchaser nor the Supplier shall be liable or responsible to each other for any indirect, consequential or incidental damages, including but not limited to loss of profit or loss of production arising out of a breach of the Contract.
- 11.2 Clause 11.1 shall not apply to clause 10.2 and 12.1 and 12.2.

**12. INDEMNITY**

The Supplier shall be liable for and indemnifies and holds the Purchaser harmless against all claims, damages, losses or costs whatsoever relating to or as a result of:



**AEROSUD STANDARD TERMS AND CONDITIONS OF  
PURCHASE  
(For supply of Goods, Subcontract Parts and/ Services)**

- 12.1 the injury or death of any person,
- 12.2 a breach by the Supplier of any law in the course of, or caused by the performance of its obligations under the Contract,
- 12.3 any damage to property on the Purchaser's site,

to the extent that the damage, death, injury or breach is due to an act and/or omission of the Supplier.

**13. CONFIDENTIALITY**

13.1 The Supplier shall keep the contents of the Purchase Order and any information of or relating to the Purchaser or its operations or affairs or the goods and/or services which may be acquired from the Purchaser confidential, save and except for information:

- (a) which is publicly available or becomes publicly available through no act or default of the Supplier; or
- (b) which came into the possession of the Supplier on a non-confidential basis from a source other than the Purchaser which source is not bound by a confidentiality agreement or other obligation of secrecy to the Purchaser or another person and is not otherwise under an obligation of secrecy to the Purchaser or another person ("Confidential Information").

13.2 Unless expressly provided herein, Supplier agrees not to use, copy, alter or directly or indirectly disclose any of Purchaser's proprietary or confidential information whether written or verbal, except in the course of performing its obligations under this Purchase Order.

13.3 Additionally, Supplier agrees to limit its distribution of Confidential Information to Supplier's employees who have a need to know, and to take reasonable steps to ensure that the dissemination is limited.

13.4 In no event will Supplier use less than the degree of care and means that it uses to protect its own information, but in any event not less than reasonable care to prevent the unauthorized use of Confidential Information.

13.5 Supplier shall not advertise or release any statement mentioning Purchaser or the fact that Seller has contracted to furnish goods to Purchaser without the prior written consent of Purchaser. Notwithstanding the foregoing, Purchaser shall have the right to use any information concerning Supplier's products, manufacturing methods, or processes which Supplier shall disclose to Purchaser without restriction during the performance of the Purchase Order

**14. AEROSUD FURNISHED GOODS OR PROPERTY**

The Supplier shall ensure that they take reasonable measures to secure and care for Aerosud owned goods or property under their control. The supplier shall not alienate them or use them for purposes other than those specified.

**15. INSURANCE**

15.1 The Supplier shall effect and maintain all insurances that a prudent person in the Supplier's position would consider appropriate in the circumstances having regard to the Supplier's obligations under the Contract.

15.2 The Supplier shall in terms of services provided, as soon as possible, but in any event, by not later than the Commencement Date have and maintain sufficient professional indemnity insurance for the duration of this Agreement, against any of its potential liabilities that may arise as a result of the provision of the Services and provide Aerosud with proof of such insurance cover in the form of a certificate issued by the Supplier's insurer;

**16. FORCE MAJEURE**

16.1 Any Force Majeure event experienced by the Supplier that is likely to affect the timely delivery of any items on order by Aerosud shall be communicated to Aerosud in writing within forty-eight (48) hours of the Supplier becoming aware of such circumstance. Force Majeure event means:

- natural disasters
- war, act of foreign enemies
- riot, civil commotion
- strike, lockout, other labour disturbance (including those involving the SUPPLIER's employees) or
- any other circumstances beyond the control of the SUPPLIER and which in the absence of this paragraph will operate to frustrate the timely delivery of the item and/or service.

16.2 Performance of any such obligations will be suspended from the date on which notice is given of force majeure until the date on which notice is given of termination of force majeure ("Suspension Period").



**17. DISPUTE RESOLUTION**

Any dispute arising from or in connection with this Agreement shall be finally resolved in accordance with the Rules of the Arbitration Foundation of Southern Africa (AFSA) by an arbitrator appointed by the Foundation.

**18. RIGHT TO AUDIT**

The Supplier must permit the Purchaser or its designated internal / external audit representative's reasonable access to the Supplier's premises for the purpose of conducting audits of the Supplier's records and/or processes to the extent necessary to verify the Supplier's compliance with the Purchase Order and these terms and conditions.

**19. ASSIGNMENT**

The Supplier may not, without the prior written consent of the Purchaser, assign or otherwise deal with any right, title, interest or obligation under the Contract.

**20. SUBCONTRACT**

The Supplier shall not subcontract the whole or portions of the Purchase Order without the prior written consent of the Purchaser. The Supplier shall be responsible for the acts or defaults of any subcontractor, his agents or employees, as if they were the acts or defaults of the Supplier.

**21. COMPLIANCE WITH LAWS**

The Supplier shall comply, and shall cause its agents, appointees, employees and permitted subcontractors to comply, with all applicable Laws, and shall have all professional licenses, permits, certificates and registrations required for its performance of the Services and supply of Goods.

**22. TERMINATION**

If

22.1 the Supplier breaches any of its obligations under the Contract, The termination of a Contract shall not affect the Parties' rights to claim any damages they may be entitled to seek in terms of these Terms and Conditions, in law or otherwise.

22.2 the Supplier is placed under liquidation or is sequestrated, either provisionally or finally, whether voluntary or compulsorily,

22.3 the Supplier is placed under business rescue or ceases to carry on business or disposes of some or all of its assets,

22.4 the Supplier is unable to pay its debts as they become due,

then the Purchaser may, without prejudice to any other rights it may have, terminate the Contract with immediate effect without payment for compensation to the Supplier for any damages whatsoever.

**23. GOVERNING LAW**

A Purchase Order, a Contract, the Terms and Conditions, and the rights and obligations of the Parties shall be governed by, and construed and enforced in accordance with, the laws of the Republic of South Africa.

**24. SEVERABILITY**

If any provision contained hereof is void, illegal or unenforceable, that provision is severable from the agreement and the remainder of the agreement has full force and effect.

**25. NON-WAIVER**

No failure by a party to enforce any provision of this Contract will constitute a waiver of such provision or affect in any way a party's right to require the performance of such provision at any time in the future.