

**ADDITIONAL SUPPLIER TERMS AND CONDITIONS FOR AN AS9100-RELATED PURCHASE**

1. General: As a supplier to ESR Technology Limited, hereinafter referred to as ESR Technology, it is mandatory that your organisation meets the following additional terms and conditions for an AS9100 compliant purchase. These additional terms and conditions shall apply whenever an ESR Technology Purchase Order specifically states that the purchase is required for an aerospace application, or for an appropriately AS9100-related requirement. These additional supplier terms and conditions are therefore to be considered applicable to all such nominated purchases.
2. Where required on the ESR Technology Purchase Order, suppliers must use ESR Technology's customer-approved special process sources. These sources will be communicated to you by ESR Technology in advance or with the Purchase Order.
3. The supplier shall contact ESR Technology in the event of nonconforming product / material. Arrangements for the approval of supplier nonconforming product / material must be as directed by an ESR Technology authorized manager or designee.
4. Furthermore, the supplier is required to notify ESR Technology of any changes to a product and/or process and to obtain approval of such change from an authorized ESR Technology manager or designee.
5. ESR Technology, its customers and regulatory authorities retain the right of access to all supplier facilities involved in the aerospace order and to all associated / applicable records.
6. ESR Technology requires that all applicable customer / regulatory / AS9100 requirements for the supplier to flow-down to your supplier / sub-tier suppliers (includes requirements in the purchasing documents and key characteristics).
7. ESR Technology will perform inspection activities to ensure that purchased product meets purchase requirements. They may include:
  - a. Receiving inspections (of supplier products/services/documents) may be / are performed by a designated ESR Technology employee. ESR Technology verifies the authenticity of the appropriate certificate of conformity, material certificates, etc. and other accompanying documentation by review and comparison (as is appropriate) to the drawing and/or industry specifications or by other means. When necessary, ESR Technology may inspect or audit at the supplier's facility.
  - b. All incoming finished parts, bar stock, forgings, special tooling or any item that is used in the manufacture of parts must be boxed or protected during shipping. ESR Technology retains the right to refuse any shipment because of damage that may occur because of improper packaging, etc. and return it to the supplier for replacement at the supplier's cost.
  - c. Furthermore, products are inspected to ensure they meet requirements (dimensions, etc.) and the results are recorded (as appropriate). All special processes (anodizing, heat treat, zinc plating, etc.) will require a Certificate of Conformity.
  - d. When appropriate, ESR Technology may delegate the inspection authority to one of its approved suppliers. ESR Technology will communicate the inspection requirements and maintain a record of those approved to carry out such inspections.
8. When ESR Technology or its customer intends to perform verification at the supplier's premises, ESR Technology will first state the intended verification arrangements and the method of product release. This information will be communicated on the ESR Technology Purchase Order or via another acceptable purchasing arrangement.
9. Where specified in the contract, ESR Technology's customer or customer's representative will be afforded the right to verify at the supplier's and ESR Technology's premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by ESR Technology as evidence of effective control of quality by the supplier and shall not absolve ESR Technology nor its supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.
10. To prevent the purchase of counterfeit or suspect / unapproved products, to ensure product identification and traceability, and for other reasons, ESR Technology will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and / or other supporting documentation from its suppliers as is appropriate. These requirements may be specified on ESR Technology Purchase Order or may otherwise be communicated to the supplier.
11. Records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements.
12. ESR Technology may also require specific actions where timely and / or effective corrective actions to a supplier issue(s) are not achieved. These actions may include but are not limited to any or all of the following: withholding payment until the issue is resolved, removal of the supplier from ESR Technology's Approved Supplier List, and legal actions.
13. Documented information such as Test Reports, Material Certs., and / or Certificates of Conformity shall accompany all orders.
14. The supplier shall immediately notify ESR Technology and explain any circumstances, including labour dispute, which may delay the timely performance of the Purchase Order and shall continue to notify ESR Technology of any significant changes in delivery status.