

TERMS AND CONDITIONS OF SUPPLY

OBJECT

This document indicates the general conditions to be applied to AIRE suppliers for the purchase of raw material or the provision of services.

GENERAL

The acceptance of the orders of AIRE implies the unreserved accession to the present conditions and terms of supply and the respect of the legal requirements by the supplier. This acceptance implies in full right the express waiver by the supplier to his specific terms of sale and property reservation clauses.

In any case, the specific technical, commercial and administrative conditions of the order or associated contract prevail over the present terms and conditions.

ACKNOWLEDGEMENT OF RECEIPT OF THE ORDER

The acknowledgement of receipt of the order must be approved and sent to AIRE within 10 working days from its receipt. Any modification of the order shall be subject to an extension thereof under applicable conditions indicated below. After that period, terms and conditions of supply are understood to be accepted without reservation by the supplier.

DELIVERIES

All deliveries will be carried out during the receiving organism opening hours and to the place indicated in the order.

Material and quantities will be strictly according to the requirements stated in the order. Any delivery that does not fulfill such requirements could be returned to the supplier if in excess (under supplier responsibility) or rejected and penalties and guarantees shall then apply to the replacement material.

Quality documentation, necessary documentation assuring good use, storage and maintenance and a duplicate delivery document referring to the order number specifying delivery under contracted conditions will accompany the delivered material.

The packaging will be suitable for the requested product to ensure its conformity until final delivery.

Any delay with respect to delivery dates reflected in the order will entail the application of penalties in an amount of 1% of the value of the material affected, each week of delay counting after the third (3rd) week.

In case of delay AIRE reserves the right to order partial or full cancellation under conditions specified below.

Any defect discovered by AIRE after delivery shall be supplier's responsibility, which will replace defective material immediately and at its cost. The transfer of risks and property will be made to the material acceptance by AIRE.

BILLING AND PAYMENTS

The invoice of each order or a part of it shall be sent in duplicate indicating order number, material description, delivery receipts number and date.

Payments shall be made from the actual date material is received or the date it is accepted by AIRE.

Applicable terms of payment are those specified in the order.

QUALITY ASSURANCE

Manufacture of the elements will be carried out according to AIRE specified drawings, quality plans and production orders.

Any changes must be communicated and approved by AIRE. Supplier must clearly identify applicable editions of specifications, drawings, inspections instructions and other applicable technical data as well as communicate non-conformity arising in the product for disposal by AIRE.

Supplier should have implemented a quality system (applicable to the products supplied) based on the latest edition of the EN9100 or, in its default, UNE EN ISO 9001 in its current version. Staff involved in the project must meet applicable qualification requirements.

Supplier must ensure that any tests which is performed internally or externalized should be performed in accredited laboratories, preferably approved under ISO 17025, and under supplier supervision. AIRE reserves the right to audit the laboratories selected by the supplier.

Supplier shall send product conformity certificate and, when applicable, test certificates in accordance with the requirements of the order, standards and specifications detailing any deviations, ensuring the absence of any defect unless AIRE has accepted its repeal. Failure to comply this condition will result in a non-conformity report that would prevent the product acceptance.

Material acceptance by AIRE does not exempt supplier the responsibility nor the fulfillment of the quality requirements indicated in the order.

The supplier will be included in AIREs approved Supplier List upon completion of a desk audit or a full onsite audit to be performed at discretion of the Head of the Design Office of AIRE.

The order of priority of the quality requirements to be applied is as follows:

1. Those listed in the order or associated supply contract, if applicable
2. Those indicated in the reference documentation
3. Those corresponding to the quality system of the supplier, including ISO standards

WARRANTIES

Supplier guarantees that delivered material is:

- According to the Technical Specification indicated in the order
- According to the results expected by AIRE and appropriate to the intended use
- Exempt from any defect, including conception, manufacture, labor and materials used

Commercial guarantee duration is as indicated in the order or, in its absence, 24 months counted from AIRE's acceptance date.

CONFIDENTIALITY

All the information communicated by AIRE to the supplier such as drawings, documentation, specifications, software, etc., is strictly confidential and cannot be disclosed to third parties in no case unless AIRE authorizes otherwise in writing.

SUBCONTRACTING

Supplier is not authorized to subcontract all or part of the material pertaining to the order without prior written authorization from AIRE.

Subcontractors, if approved by AIRE, are subject to the same contractual obligations as the supplier, who must indicate them in their orders, including key features when required.

Supplier is the responsible for the carried-out work by its subcontractors, in particular as regards quality, delivery times and compliance with AIRE technical specifications.

RECORD RETENTION TIME

Supplier undertakes to keep the test and inspection documents in a safe place, as well as the control data and other records covering the final product of affected order for a minimum period of seven (7) years.

ACCESS TO SUPPLIER FACILITIES

Supplier will allow AIRE, its clients, aeronautical authority and regulatory entities to access its facilities involved in the order and to all applicable registries at any time, to witness, evidence, review documentation during any process related to the order.

INSURANCE AND CIVIL LIABILITY

Supplier must sign a liability insurance policy for all material, immaterial and/or corporal damages, consecutive or not, likely to occur based on the execution of this order or in connection with it in which AIRE, its employees, subsidiaries, representatives and/or third parties are victims at any place by an amount of compensation not less than 500 000 € per incident.

FORCE MAJEURE

In case of an unpredictable, insurmountable and foreign to the will of the party who has been a victim, the contractual obligations will be suspended from the declaration and the proof of force majeure of the affected party. Problem and new expected date of execution of the order, as well as the situation progress and corrective actions carried out shall be communicated from the affected party to the other party regularly.

Once the impossibility caused by the force majeure ceases, and subject to the provisions referred to in cancellation section below, the affected party shall communicate it to the other party, reactivating the previously suspended contractual obligations.

CANCELLATION

Contractual obligations may be terminated in the following cases:

1. If supplier fails to comply ostensibly with his obligations and does not take the appropriate corrective actions before the end of the month when AIRE has communicated such breach.
2. If order is cancelled for any reason.
3. If supplier declares payment suspension and there is a risk of breaching the contract.
4. In case of force majeure, when in a period of two months after communication of such situation, they (AIRE or supplier) have not been able to resume the execution of their obligations.

In the event of termination of contract, AIRE shall have the right to ensure the supply of material subjected to the order either internally or by third parties, using technical information, tools, work in progress or stock or finished parts produced by supplier.

Cost of delivered material which have been accepted by AIRE as well as the value of the work in progress shall be established in favor of supplier by an upright defined by common agreement.

Against the supplier are established the cost of finished materials transfer, cost of work in progress and specific tools, as well as the originated interests and costs as a direct or indirect consequence of supplier inability typified in cases 1 and 3 above.

JURISDICTION

These terms and conditions and all contracts to which they apply shall in all respects be governed by and in accordance with the law of the Kingdom of Spain and shall be to the jurisdiction of Madrid Courts.