

TERMS & CONDITIONS

Supplier Terms & Conditions Agreement

General: As a supplier to Rozic Tool & Machine (RTM), it is understood that when accepting our purchase orders, your organization agrees to meet the following stipulations / AS9100 requirements whenever accepting an RTM Purchase Order. Suppliers must be aware they contribute to RTM's product conformity and product safety. These requirements are, therefore, to be considered as terms and conditions to all aerospace purchases:

1. Where required on the Purchase Order, RTM suppliers must use RTM's customer-approved special process sources.
2. RTM is to be contacted (by the supplier) in the event of nonconforming product/material. Arrangements for the approval of supplier nonconforming product/material must be as directed by an RTM representative.
3. Furthermore, the supplier is required to notify RTM of any changes to a product and/or process and to obtain approval from an authorized RTM representative when applicable.
4. RTM, their customers, and regulatory authorities retain the right of access to all supplier facilities involved in the aerospace order and to all applicable records.
5. The AS9100 standard requires that all applicable customer/regulatory/AS9100 requirements for the supplier to flow-down to sub-tier suppliers (includes requirements in the purchasing documents and key characteristics where required). However, RTM does not allow its aerospace suppliers to subcontract any product or process to a sub-tier supplier without RTM's expressed written consent.

6. RTM performs inspection activities to ensure that purchased product meets purchase requirements. They may include:

1. a. Receiving inspections (of supplier products / services / documents) may be / are performed by a designated employee. RTM 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, RTM may inspect or audit at the supplier's facility.

2. b. Furthermore, products are inspected to ensure they meet requirements (dimensions, etc.) and the results are recorded (as appropriate). All special processes (anodizing, heat treat etc.) where the compliance cannot be verified by inspections will require a Certificate of Conformity.

7. When appropriate, RTM may delegate the inspection authority to one of its approved suppliers. RTM will communicate the inspection requirements (including approved monitoring and measurement equipment/methods) and RTM will maintain a record of those approved to carry out such inspections.

8. When RTM or its customer intends to perform verification at the supplier's premises; RTM will first state the intended verification arrangements and the method of product release. This information will be communicated on the RTN Purchase Order or via another acceptable purchasing arrangement.

9. Where specified in the contract, RTM's customer or customer's representative will be afforded the right to verify at the supplier's premises and RTM's premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by RTM as evidence of effective control of quality by the supplier and shall not absolve RTM. or 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 and to ensure product identification and traceability (and for other reasons), RTM 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 RTM's 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. RTM expects 100% on time delivery. If the agreed upon delivery cannot be met, the appropriate RTM representative must be notified in advance. If RTM annual supplier evaluation identifies a supplier with an on-time delivery rate of 95% or less, a corrective action can be issued.

13. RTM requires that products provided by its Approved Suppliers be correct and free of defect per the supplied Purchase Order. If RTM's annual supplier evaluation identifies a supplier with a scrap/rework rate that exceeds 5% of their RTM work orders; a corrective action can be issued.

14. RTM 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 RTM's Approved Supplier List, and/or legal action.

15. RTM requires their suppliers to perform their functions in an ethical manner.