

AS9100 Supplier Terms and Conditions Agreement

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General: As a supplier to MACOR@ Machining China Inc., it is understood that your organization agrees to meet the following stipulations / AS9100 requirements whenever a MACOR@ Machining China Inc.

Order specifies that the order is for an Aerospace application/job (or contains some similar Aerospace/AS9100 reference). These requirements are, therefore, to be considered as terms and conditions to all Aerospace purchases.

1. Where required on the MACOR@ Machining China Inc.
2. , its suppliers must use MACOR@ Machining China Inc.
's customer-approved special process sources.
3. MACOR@ Machining China Inc. is to be contacted (by the supplier) in the event of nonconforming product/material. An arrangement for the approval of supplier nonconforming product/material must be as directed by **MACOR@ Machining's** authorized manager or designee.
4. Furthermore, the supplier is required to notify MACOR@ Machining of any proposed changes to a product and/or process and to obtain prior approval from an authorized MACOR@ Machining manager or designee (if applicable).
5. MACOR@ Machining, their customers, and regulatory authorities retain the right of access to all supplier facilities involved in the aerospace order and to all applicable records.
6. 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, MACOR@ Machining does not allow its aerospace suppliers to subcontract any product or process to a sub-tier supplier without MACOR@ Machining prior expressed written consent.
7. MACOR@ Machining performs 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 employee. MACOR@ Machining 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, MACOR@ Machining may inspect or audit at the supplier's facility.
 - 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.
8. When appropriate, MACOR@ Machining may delegate the inspection authority to one of its approved suppliers. MACOR@ Machining will communicate the inspection requirements (including approved monitoring and measurement equipment/methods) and MACOR@ Machining will maintain a record of those approved to carry out such inspections.
9. When MACOR@ Machining or its customer intends to perform verification at the supplier's premises; MACOR@ Machining will first state the intended verification arrangements and the method of product release. This information will be communicated on the MACOR@ Machining Purchase Order or via another acceptable purchasing arrangement.
10. Where specified in the contract, the MACOR@ Machining's customer or customer's representative will be afforded the right to verify at the supplier's premises and MACOR@ Machining's premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by MACOR@ Machining as evidence of effective control of quality by the supplier and shall not absolve MACOR@ Machining 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), MACOR@ Machining 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 MACOR@ Machining'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 and should otherwise be kept confidential.

12. MACOR@ Machining expects 100% on time delivery. If the agreed upon delivery cannot be met, MACOR@ Machining must be notified in advance. If MACOR@ Machining's annual supplier evaluation identifies a supplier with an on time delivery rate of 90% or less, a corrective action can be issued.

13. MACOR@ Machining requires that products provided by its approved suppliers be correct and free of defects per the supplier purchase order. If MACOR@ Machining's annual supplier evaluation identifies a supplier with a scrap/rework rate that exceeds 3% of their work orders, a corrective action can be issued.

14. MACOR@ Machining 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 MACOR@ Machining's Approved Supplier List, and legal actions. MACOR@ Machining requires all documents to be retained for 10 years unless specified otherwise on the purchase order. After specified retention time, records are to be shredded, and any electronic records are to be deleted.

15. MACOR@ Machining requires that suppliers ensure that persons/employees are aware of:

- A) their contribution to product or service conformity
- B) their contribution to product safety
- C) the importance of ethical behavior