

Supplier Terms and Conditions Agreement

General: As a supplier to APT AEROSPACE, it is understood that your organization agrees to meet the following stipulations / requirements whenever a Purchase 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. All suppliers to APT AEROSPACE are expected to implement a quality system and will provide APT AEROSPACE with evidence of an established system upon request.
2. Where required on the APT AEROSPACE Purchase Order, its suppliers must use APT AEROSPACE's customer-approved special process sources.
3. Suppliers shall ensure appropriate competence of its personnel, including any required qualifications, when applicable, to provide additional confidence of the conformance of purchases.
4. Suppliers shall ensure its personnel are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.
5. APT AEROSPACE monitors supplier performance, including both on-time delivery, and quality of purchases, and may react accordingly based on performance concerns.
6. When applicable, APT AEROSPACE retains all rights and controls regarding design and development activities of purchases, and supplier agrees to abide by APT AEROSPACE's direction.
7. APT AEROSPACE 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 APT AEROSPACE's authorized manager or designee.
8. Furthermore, the supplier is required to notify APT AEROSPACE of any changes to a product and/or process and to obtain approval from an authorized APT AEROSPACE manager or designee (if applicable).
9. APT AEROSPACE, their customers, and regulatory authorities retain the right of access to all supplier facilities involved in the aerospace order and to all applicable records.
10. 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, APT

AEROSPACE does not allow its aerospace suppliers to subcontract any product or process to a sub-tier supplier without APT AEROSPACE expressed written consent.

11. APT AEROSPACE performs inspection activities to ensure that purchased product meets purchase requirements. They may include: Receiving inspections (of supplier products / services / documents) may be / are performed by a designated employee. APT AEROSPACE 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, APT AEROSPACE may inspect or audit at the supplier's facility. 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.

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

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

14. Where specified in the contract, the APT AEROSPACE's customer or customer's representative will be afforded the right to verify at the supplier's premises and APT AEROSPACE's premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by APT AEROSPACE as evidence of effective control of quality by the supplier and shall not absolve APT AEROSPACE or its supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

15. To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), APT AEROSPACE 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 APT AEROSPACE's Purchase Order or may otherwise be communicated to the supplier.

16. Records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements and should otherwise be kept confidential.

17. APT AEROSPACE 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 APT AEROSPACE's Approved Supplier List, and legal actions.