



QUALITY SYSTEM FORM

QF-0032 Supplier Terms and Conditions

Revision: C

Effective Date: 09-01-24

As a supplier to Indus Precision Manufacturing, hereinafter referred to as INDUS, it is understood that your organization agrees to meet the following stipulations / AS9100 requirements whenever an INDUS 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. Where required on the INDUS Purchase Order, its suppliers must use INDUS approved special process sources. These sources will be communicated to you by INDUS in advance or with the Purchase Order.
2. INDUS PRECISION MANUFACTURING 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 INDUS authorized manager or designee.
3. Furthermore, the supplier is required to notify INDUS of any changes to a product and/or process and to obtain approval of such change from an authorized INDUS manager or designee.
4. INDUS, their customers, and regulatory authorities retain the right of access to all supplier facilities involved in the aerospace order and to all associated / applicable records.
5. INDUS requires that all applicable customer / regulatory / AS9100 requirements for the supplier be flowed down to any sub-tier suppliers (includes requirements in the purchasing documents and key characteristics).
6. INDUS performs inspection activities to ensure that the purchased product meets purchase requirements. They may include:
 - Receiving inspections (of supplier products/services/documents) may be / are performed by a designated INDUS employee. INDUS 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, INDUS may inspect or audit at the supplier's facility.
 - All incoming finished parts, bar stock, forgings, special tooling or any item that is used in the manufacture of aerospace parts must be boxed or protected during shipping. INDUS 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.



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- 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.
 - Indus reserves the right to reject an entire lot if any defects are detected at Indus.
 - If any parts provided by the Supplier are found to be non-conforming upon inspection at Indus Precision Manufacturing's facility, and a deviation request is submitted to Indus Precision's customer for approval of the non-conforming parts, payment for those parts may be delayed. The delay in payment will be proportional to the time it takes for Indus Precision's customer to review and approve the deviation request. The Supplier agrees that no payment will be made for the non-conforming parts until Indus Precision receives written acceptance from its customer. If the non-conforming parts are not accepted by Indus Precision's customer, they will be returned to the supplier at the supplier's expense.
7. When appropriate, INDUS may delegate the inspection authority to one of its approved suppliers. INDUS will communicate the inspection requirements and maintain a record of those approved to carry out such inspections.
8. When INDUS or its customer intends to perform verification at the supplier's premises, INDUS will first state the intended verification arrangements and the method of product release. This information will be communicated on the INDUS Purchase Order or via another acceptable purchasing arrangement.
9. Where specified in the contract, INDUS' customer or customer's representative will be afforded the right to verify at the supplier's and INDUS' premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by INDUS as evidence of effective control of quality by the supplier and shall not absolve INDUS 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, INDUS 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 INDUS Purchase Order or may otherwise be communicated to the supplier.



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11. Records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements. Records pertaining to this purchase order shall not be disposed of without approval from INDUS.
12. A Supplier Corrective Action (SCAR) shall be forwarded by Indus to a supplier when a corrective action is required. Upon notification of the nonconformance, the supplier shall take immediate containment action. The supplier shall complete the analysis of cause and propose corrective action within ten (10) calendar days or within the due date assigned to the SCAR. Indus reserves the right to charge back incurred costs due to supplier non-conformance.
13. INDUS 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 the following: withholding payment until the issue is resolved, removal of the supplier from INDUS' Approved Supplier List, and legal actions.
14. Documented information such as Test Reports, Material Certs., and / or Certificates of Conformity shall accompany all orders.
15. The supplier shall immediately notify INDUS and explain any circumstances, including labor dispute, which may delay the timely performance of the Purchase Order and shall continue to notify INDUS of any significant changes in delivery status.
16. The seller shall not deliver substitute parts for the part(s) specified on the purchase order line unless INDUS has approved the substitution in writing. The supplier shall notify INDUS of any End of Life, obsolescence, or Form, fit, or function issues prior to fulfillment of the purchase order.
17. Operation Safety and Health Administration (OSHA) Global Harmonized System (GHS) (formerly MSDS and label requirements): Each purchased product shipment shall contain appropriate hazard and precautionary information using Safety Data Sheets, and labels shall be in accordance with GHS requirements.
18. The supplier shall ensure their employees are aware of the following as applicable:
 - Their contribution to product or service conformity,
 - Their contribution to product safety,
 - The importance of ethical behavior.
19. The Supplier shall comply with the requirements of FAR 52.222-50, Combating Trafficking in Persons. The Supplier represents that it has implemented



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processes, which may include procedures and/or a compliance plan, to prevent any prohibited activities described in paragraph (b) of the clause.

The Supplier shall:

- Immediately notify Indus Precision Manufacturing of any credible information or discovery of prohibited activities as described in paragraph (b) of FAR 52.222-50; and
- Monitor, detect, and terminate any contractual relationship with a subcontractor or agent engaging in such prohibited activities.

Failure to comply with this clause shall be considered a material breach of contract and may result in immediate termination of the purchase order or contract.