

Supplier Terms and Conditions Agreement

General: As a supplier to Cramar Machining, LLC, it is understood that your organization agrees to meet the following stipulations / requirements whenever a Cramar Machining, LLC 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 Cramar Machining, LLC are expected to implement a quality system and will provide Cramar Machining, LLC with evidence of an established system upon request.
2. Where required on the Cramar Machining, LLC Purchase Order, its suppliers must use Cramar Machining, LLC's customer-approved special process sources.
3. Suppliers shall ensure appropriate competence of their 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. Cramar Machining, LLC monitors supplier performance, including both on-time delivery, and quality of purchases, and may react accordingly based on performance concerns.
6. When applicable, Cramar Machining, LLC retains all rights and controls regarding design and development activities of purchases, and supplier agrees to abide by Cramar Machining, LLC's direction.
7. Cramar Machining, LLC 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 a Cramar Machining, LLC's authorized manager or designee.
8. Furthermore, the supplier is required to notify Cramar Machining, LLC of any changes to a product and/or process and to obtain approval from an authorized Cramar Machining, LLC manager or designee (if applicable).
9. Cramar Machining, LLC, 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, Cramar Machining, LLC does not allow its aerospace suppliers to subcontract any product or process to a sub-tier supplier without Cramar Machining, LLC expressed written consent.

11. Cramar Machining, LLC 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. Cramar Machining, LLC 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, Cramar Machining, LLC 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. Supplier must ensure that products are produced / manufactured / packaged / shipped in a manner that eliminates the presence of any dust, debris, or other foreign objects / material that may damage or put into question the conformity of the products.

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

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

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

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

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

18. Cramar Machining, LLC 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 Cramar Machining, LLC's Approved Supplier List, and legal actions.

19. Cramar Machining, LLC requires all documents be retained for a minimum of seven (7) years.