

Supplier Terms & Conditions Agreement

**General:** As a supplier to ILM Tool, you become a key contributor to the products and services that we deliver to our customers. We value the conformance of your products and services to our specifications and requirements, your contribution to our product’s safety, and your ethical business practices. If you provide a bid for this RFQ, it is understood that your organization agrees to meet the following requirements whenever an ILM TOOL purchase order specifies that the order is for a product subject to AS9100 requirements.

**Scope:** These terms and conditions apply to all external suppliers and sub-tier suppliers which furnish products, processes, or services to be incorporated into ILM TOOL’s contractually deliverable AS9100 products.

1. ILM TOOL requires that the supplier shall maintain the proper relevant technical data of the processes, products and/or services provided. (e.g, identification and revision status specifications, drawings, process requirements, work instructions)
2. When indicated on the ILM TOOL purchase order, suppliers must use ILM TOOL’s customer- approved special process sources.
3. ILM TOOL reserves the right of final approval of products and services, methods processes and equipment, and the final release of products and services.
4. All special process must be performed by qualified and competent persons.
5. ILM TOOL reserves the right to identify the requirements for interaction with our Suppliers including:
   1. The use of interactive documentation
   2. The use of email
   3. Documented confirmation methods of all verbal interactions
6. ILM TOOL reserves the right to monitor the Supplier’s performance including:
   1. Supplier Risk
   2. Quality of product or service delivered
   3. On time delivery of product or service
7. ILM TOOL reserves the right to designate requirements for verification or validation activities that we or our customer, intend to perform at the Suppliers’ premises
8. ILM TOOL reserves the right to approve or specify any designs, tests, inspection plans,

verifications, criteria for design and development required by ILM TOOL from a Supplier

1. ILM TOOL reserves the right to approve or specify any special requirements, critical items, or key characteristics
2. ILM TOOL reserves the right to approve or specify any test, inspection, and verification (including production process verification) to ensure that purchased product/service meets the requirements
3. ILM TOOL performs inspection activities to ensure that purchased product meets requirements, including:
   1. Receiving inspections (of supplier products / services / documents) performed by a designated employee. ILM TOOL 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, ILM TOOL may inspect or audit at the supplier’s facility.
   2. Product inspections to ensure they meet requirements, dimensions, etc. Special processes where compliance cannot be verified by inspection will require a Certificate of Conformity.
4. ILM TOOL reserves the right to approve or specify the use of statistical techniques for product acceptance and related instructions for acceptance by ILM TOOL
5. To ensure product identification and traceability, ILM TOOL 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 ILM TOOL’s RFQ, purchase order, or may otherwise be communicated to the supplier.
6. ILM TOOL reserves the right to require the need from the Supplier to:
   1. Implement a Quality Management System and we reserve the right to review and approve the Supplier Quality Management System
   2. Use customer-designated or approved Suppliers, including special process sources
   3. Notify ILM TOOL of nonconforming products or services (e.g all deviations from drawing/specification requirements) immediately upon discovery and obtain approval from ILM TOOL’s Quality Manager for nonconforming product disposition

ILM TOOL requires that the Supplier have policies and procedures to identify potential Counterfeit Parts from suppliers. Seller shall immediately notify ILM TOOL with the pertinent facts if Supplier becomes aware of or suspects that Counterfeit Parts may have been used in a product delivered to ILM TOOL. In the event that products delivered under this order constitutes or includes Counterfeit Parts, Supplier shall, at its expense, promptly replace such Counterfeit Parts with genuine parts conforming to the requirements of this order. Notwithstanding any other provision in this order, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Parts.

* 1. The supplier shall notify ILM TOOL of any changes to a product and/or process, including changes of Suppliers or location of manufacture, that may affect conformance to specifications or requirements, and to obtain approval from an authorized ILM TOOL manager or designee prior to production. If a First Article of Inspection (FAI) was required by the contract for the first product, a new FAI shall be required from the supplier.
  2. Flow down to the supply chain all applicable requirements (regulatory and AS9100 standards requirements enclosed with the PO, including customer requirements and keys characteristics where required)
  3. Provide test specimens for design approval, inspection/verification, investigation, or auditing
  4. Retain all records associated with the purchase orders for a minimum of 3 years or as required by contract and have at our disposal such documents to be controlled.

1. ILM TOOL reserves the right of access by ILM TOOL’s employees, our customers, and any regulatory authorities to the applicable areas of facilities and to applicable documented information involved in the aerospace order, at any level of the supply chain When ILM TOOL or its customer intends to perform verification at the supplier’s premises, ILM TOOL will first state the intended verification arrangements and the method of product release. This information will be communicated on the ILM TOOL RFQ, purchase order, or via another acceptable purchasing arrangement.
2. ILM TOOL reserves the right to request evidence from the Supplier to ensure its employees are aware of:
   1. their contribution to product or service conformity
   2. their contribution to product safety
   3. the importance of ethical behavior
3. ILM TOOL may also require specific actions where timely and/or effective corrective actions to a supplier issue 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 ILM TOOL’s Approved Vendor list, and legal action.