

AS9100 Supplier Terms & Conditions Agreement

General: As a supplier to HARDY ENGINEERING & MFG, it is understood that when accepting our purchase orders, your organization agrees to meet the following stipulations / AS9100 requirements whenever HARDY ENGINEERING & MFG

Purchase Orders have an "A" prefix present on the associated Job Number (or contains some similar aerospace/AS9100 reference). An example of this would be Job: SO5703. These requirements are, therefore, to

be considered as terms and conditions to all aerospace purchases:

1. Where required on the HARDY ENGINEERING & MFG Industries, Inc. Purchase Orders, its suppliers must use HARDY ENGINEERING & MFG Industries, Inc.'s customer-approved special process sources.
2. HARDY ENGINEERING & MFG Industries, Inc. 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 HARDY ENGINEERING & MFG Program Manager
3. Furthermore, the supplier is required to notify HARDY ENGINEERING & MFG of any changes to a product and/or process and to obtain approval from an authorized HARDY ENGINEERING & MFG Customer Program Manager when applicable.
4. HARDY ENGINEERING & MFG their customers, and regulatory authorities retain the right of access to all supplier facilities involved in the aerospace order and to all applicable records.
5. The AS9100 standard requires that all applicable customer/regulatory/AS9100 requirements for the supplier to flow-down to sub-tier suppliers, these include at any level of the supply chain that persons are aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior. Included are requirements in the purchasing documents and key characteristics where required. However, HARDY ENGINEERING & MFG Industries, Inc. does not allow its aerospace suppliers to subcontract any product or process to a sub-tier supplier without HARDY ENGINEERING & MFG expressed written consent.
6. HARDY ENGINEERING & MFG performs inspection activities to ensure that purchased product meets purchase requirements. They may include:
 1. a. Receiving inspections (of supplier products / services / documents) may be / are performed by a designated employee. HARDY ENGINEERING & MFG Industries, Inc. 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, HARDY ENGINEERING & MFG Industries, Inc. may inspect or audit at the supplier's facility.
 2. 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.
7. When appropriate, HARDY ENGINEERING & MFG. may delegate the inspection authority to one of its approved suppliers. HARDY ENGINEERING & MFG Industries, Inc. will communicate the inspection requirements (including approved monitoring and measurement equipment/methods) and HARDY ENGINEERING & MFG Industries, Inc. will maintain a record of those approved to carry out such inspections.
8. When HARDY ENGINEERING & MFG or its customer intends to perform verification at the supplier's premises; HARDY ENGINEERING & MFG will first state the intended verification arrangements and the method of product release. This information will be communicated on the HARDY ENGINEERING & MFG Purchase Order or via another acceptable purchasing arrangement.
9. Where specified in the contract, the HARDY ENGINEERING & MFG customer or customer's representative will be afforded the right to verify at the supplier's premises and HARDY ENGINEERING & MFG premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by HARDY ENGINEERING & MFG. as evidence of effective control of quality by the supplier and shall not absolve HARDY ENGINEERING & MFG. 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), HARDY ENGINEERING & MFG 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 HARDY ENGINEERING & MFG'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.

12. HARDY ENGINEERING & MFG expects 100% on time delivery. If the agreed upon delivery cannot be met, the appropriate HARDY ENGINEERING & MFG Customer Program Manger must be notified in advance. If HARDY ENGINEERING & MFG annual supplier evaluation identifies a supplier with an on time delivery rate of 95% or less a corrective action can be issued.

13. HARDY ENGINEERING & MFG Industries Inc. requires that products provided by it's Approved Suppliers be correct and free of defect per the supplied Purchase Order. If HARDY ENGINEERING & MFG annual supplier evaluation identifies a supplier with a scrap/rework rate that exceeds 10% of their HARDY ENGINEERING & MFG work orders; a corrective action can be issued.

14. HARDY ENGINEERING & MFG 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 HARDY ENGINEERING & MFG Approved Supplier List, and/or legal action.

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