



Regal Machine supplier terms and conditions agreement

General: As a supplier to Regal Machine Inc. it is understood that your organization agrees to meet the following stipulations/ requirements particularly in the case of orders known or suspected to be aerospace associated.

1. All suppliers to Regal Machine are expected to implement a quality system and will be able to provide evidence of an established system.
2. Suppliers shall ensure appropriate competence of personnel, including any required qualifications, when applicable, to provide additional confidence of the conformance of purchases.
3. Suppliers shall ensure its personnel are aware of the contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.
4. Regal Machine monitors supplier performance, including both on-time delivery and quality of purchases and may react accordingly based on performance concerns.
5. Regal Machine 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 member of Regal Machine's MRB team.
 - 5.1 All product that is dispositioned as nonconforming must be identified with a discrepant part tag or other means of identification.
 - 5.2 Suppliers shall notify Regal Machine of suspected nonconforming product having been shipped within 24 hours of detection.
6. Furthermore, the supplier is required to notify Regal Machine of any changes to a product and/or process and to obtain approval from a member of Regal Machine's MRB team.
7. Regal Machine, their customers and regulatory authorities retain the right of access to all supplier facilities involved in any aerospace order and to all applicable records.
8. The AS9100 standard requires that all applicable customer/ regulatory/ AS9100 requirements for the supplier be flowed-down to sub-tier suppliers (includes requirements in the purchasing documents and key characteristics where required). However Regal Machine does not allow its aerospace suppliers to subcontract any product or process to a sub-tier supplier without Regal Machine's expressed written consent.
9. Regal Machine performs inspection activities to ensure that purchased product meets purchase requirements. They may include: Receiving inspections (of supplier products/ services/ documentation) may be / are performed by a designated employee. Regal Machine 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, Regal Machine 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 compliance cannot be verified by inspections will require a Certificate of Conformity. Furthermore, suppliers of these "special processes" must maintain a system for validating processes that is Nadcap accredited or other system as specifically required.
10. When appropriate, Regal Machine may delegate the inspection authority to one of its approved suppliers. Regal Machine will communicate the inspection requirements (including approved monitoring and measurement equipment/ methods as requested) and Regal Machine will require that these inspections be recorded and maintained for no less than 10 years. Suppliers must be aware that some purchase orders may require a 40-year retention period for items identified as "frozen process" or "flight safety" parts. At the end of the retention period supplier shall provide the option to Regal Machine to take possession of the records.
11. Regal Machine's customer or customer's representative will be afforded the right to verify at the supplier's premises and Regal's premises that subcontracted product conforms to specified requirements. Verification by the customer is

not used by Regal Machine as evidence of effective control of quality by the supplier and shall not absolve Regal Machine or its supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

12. To prevent the purchase of counterfeit or suspect/ unapproved products and to ensure product identification and traceability (and for other reasons), Regal Machine will institute controls that include the requirement of material certificates, certificates of conformity, and/ or other supporting documentation from its suppliers as is appropriate.
13. Records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements and should otherwise be kept confidential.
14. Regal Machine 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 Regal Machine's Approved Supplier list and legal actions.
15. Suppliers internally approved for use via Certification (ISO, AS9100, ISO 17025, etc.) must notify Regal Machine of any changes to that certification.
16. The supplier shall provide packaging in accordance with the best commercial packaging methods, to protect the product from damage and for safety in handling during the shipping process.
17. Drawings and any other confidential property received by Seller shall be controlled as regulated by the Export Administration Regulations (EAR) or Director of Trade Controls (DOTC) and International in Arms Regulations (ITAR).
18. Supplier will take necessary steps during processing and packaging to prevent addition of any foreign object debris or contaminants. Supplier shall have a F.O.D. prevention and training program adequate enough to ensure compliance.
19. Distributors must have a counterfeit policy and provide it upon request. The counterfeit policy must include provisions of supplying product from the Original Component Manufacturer or qualified distributor. Seller shall notify Regal Machine immediately upon discovery of any delivery of counterfeit parts/ components/ materials. Seller will be responsible for monetary damages to Regal Machine and/ or its customers for any losses or damages arising from the delivery of counterfeit parts/ components or materials.
20. Regal Machine requires all documents be retained for 10 years.