

## Supplier Terms & Conditions Agreement

**General:** Radius Engineering, Inc. (hereafter, "Radius") operates under a Quality Management System compliant with AS9100:2016 Rev D. As a supplier to Radius, it is understood that by acceptance of a Radius Purchase Order (PO), your organization agrees to meet the requirements listed below. In this document, "supplier" refers to the company or entity Radius contracts with, via a PO, to provide raw materials, products, or services that impact Radius' ability to meet its customer's requirements.

1. By accepting a PO, a supplier commits to meet Radius' requirements contained therein, including:
  - The use of approved products, services, sub-suppliers, methods, processes, and equipment
  - Criteria for testing, inspection, and verification to occur prior to product release
  - Any special requirements, critical items, or key characteristics
  - The need to provide test specimens, data, certificates of conformity, material certificates, or other evidence that Radius' requirements have been met
  - Delivery of product on or before the stated required date
2. In some cases, requirements in addition to those stated on the PO will be communicated via drawings or CAD data.
3. In cases where changes to a process, product, service, sub-supplier, or location may impact the supplier's ability to meet Radius' requirements, the supplier must notify an appropriate representative of Radius in advance of making the change.
4. Radius expects 100% on time delivery. If the required by date on a PO cannot be met, the supplier must notify Radius's Supply Chain Manager in advance.
5. Radius monitors supplier performance on a monthly basis, and determines a Supplier Performance Rating (SPR) based on the following formula:

$$SPR = \left( \frac{(Total\ Line\ Items - Late\ Items)}{Total\ Line\ Items} + \frac{(Total\ Line\ Items - Nonconformities)}{Total\ Line\ Items} \right) \div 2$$

6. Suppliers who do not maintain an SPR of >90% may be removed from Radius' Approved Supplier List without advance warning.
7. Suppliers will be expected to complete and return self-evaluations as requested by Radius' Supply Chain Manager. These self-evaluations are intended to provide Radius the information needed to understand the scope of a supplier's Quality Management System, and help determine what, if any, risk mitigation activities Radius will perform to manage that supplier. Suppliers who do not complete the self-evaluation as requested may not be added to Radius' Approved Supplier List.
8. Suppliers must notify Radius of nonconforming products detected both before and after product acceptance. Disposal methods of nonconforming products must be approved by Radius.
9. Radius will notify suppliers in the event that nonconforming product is detected after product acceptance. Depending on the severity and scope of the nonconformity, Radius may issue a formal Corrective Action Request to the supplier of nonconforming product.
10. Suppliers are responsible for taking all necessary steps to prevent the introduction of counterfeit parts to the supply chain. Specific requests for product traceability, or the requirement for material/conformity certificates will be specified via PO.
11. When Radius intends to perform verification/validation activities at the supplier's premises, this will be communicated to the supplier in advance.

# **RADIUS**

## **ENGINEERING, INC.**

12. Suppliers must flow down Radius requirements (including Radius' customer requirements) to their supply chain as applicable.
13. Suppliers are responsible for ensuring that its personnel are competent and aware of how they contribute to compliance with these terms, including, but not limited to:
  - Their contribution to product or service conformity;
  - Their contribution to product safety;
  - The importance of ethical behavior
14. Suppliers are expected to retain and maintain appropriate records of the activities listed above. The records must remain legible, readily identifiable and retrievable for a minimum of seven (7) years after product acceptance. In cases where the duration of retention is increased (e.g. at the request of Radius' customer), specific instructions will be provided on the PO.
15. Radius, its customer, and regulatory authorities retain the right of access to all applicable facilities and records related to products or services provided by the supplier.