

## 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
  - Avoid shipment of products at or nearing End of Life without expressed consent from Radius
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 (OTD). If the required by date on a PO cannot be met, the supplier must notify Radius' Supply Chain Manager in advance.
5. Radius monitors supplier performance on a monthly basis and will take action when a supplier's OTD and/or quality ratings are below 90% in any 12 month period. The following formulas are used to derive a supplier's on time delivery and quality ratings:

$$OTD = \frac{(\text{total PO line items} - \text{late line items})}{\text{total PO line items}}$$

$$Quality = \frac{(\text{total PO line items} - \text{nonconformities})}{\text{total PO line items}}$$

6. Suppliers who do not maintain OTD and/or quality ratings 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. Regarding "suspect/counterfeit parts:"

- Suppliers are responsible for having policies and procedures in place to ensure that they do not supply "suspect/counterfeit parts" and to the best of their knowledge no such "suspect/counterfeit parts" have been or are being supplied to Radius.
- "Suspect/counterfeit parts" are parts that may be of new manufacture but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is the case. They also include refurbished parts, complete with false labeling, that are represented as new Parts supplied to Radius should be directly from the Original Component Manufacturers ("OCM")/Original Equipment Manufacturers ("OEM") or through the OCM/OEM's Franchised Distributor.
- Supplier shall not furnish goods or components of goods that:
  - Are an unauthorized replica of an OEM part
  - Are not sufficiently traceable to an OEM
  - Do not contain materials/components as prescribed by the OEM's design
  - Have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from the OEM's design but are represented as authentic or new
  - Have not passed all OEM quality control process verification
- Notwithstanding the foregoing, items that are modified because of the supplier's design authority and have not been misrepresented to Radius shall not be deemed as suspect or counterfeit.
- Suppliers shall maintain documented systems (policies, procedures, or other documented methods) that provide for notification to Radius (and to obtain Radius' written consent) before parts or components are procured from sources other than OCM, OEM, or OCM/OEM's Franchised Distributor. Suppliers shall provide copies of such documentation for its system upon Radius' request.
- Supplier systems shall be consistent with applicable industry standards (e.g., AS5553 and AS6174) for the detection and avoidance of counterfeit electronic parts, including flowing down requirements to subcontractors.
- If Radius reasonably determines that a supplier has provided suspect/counterfeit parts to Radius, an investigation will be initiated, and a Corrective Action plan implemented if necessary. As part of this investigation, Radius will promptly notify the supplier who shall immediately replace the suspect/counterfeit parts with parts acceptable to Radius. Pending results of any investigation, Radius reserves the right to prevent re-entry of suspect/counterfeit parts into the supply chain by not returning said items to the supplier.
- Notwithstanding any other provision contained herein, suppliers shall be liable for all costs incurred by Radius to inspect, remove, and replace the suspect/counterfeit parts, including without limitation Radius' external and internal costs of removing such counterfeit parts, of reinserting replacement parts and of any testing necessitated by the reinstallation of Seller's goods after counterfeit parts have been exchanged. In addition, Radius may unilaterally terminate orders for convenience depending on the impact of the delivery.
- 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.

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12. Supplier agrees to comply with all applicable laws and regulations related to human trafficking and modern slavery. Supplier shall take measures to ensure that its operations and supply chain are free from any form of forced labor, human trafficking, and exploitation. These measures may include, but are not limited to, monitoring its supply chain, providing employee training, and maintaining records as appropriate. In the event that the supplier becomes aware of any violations or potential violations of human trafficking or modern slavery laws within its operations or supply chain, it will promptly notify Radius and take immediate corrective actions to address the issue.
13. Suppliers must flow down Radius requirements (including Radius' customer requirements) to their supply chain as applicable.
14. Suppliers are responsible for ensuring 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
15. 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.
16. 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.