



# TERMS AND CONDITIONS

REV 1

07/13/2020

## Supplier Terms and Conditions Agreement

**General:** As a supplier to Northwestern Manufacturing it is understood that your organization agrees to meet the following stipulations. These requirements are, therefore, to be considered as terms and conditions to all purchases.

1. All suppliers to Northwestern Manufacturing are expected to implement a quality system and will provide Northwestern Manufacturing with evidence of an established system upon request.
2. Where required on the Northwestern Manufacturing Purchase Order, its suppliers must use Northwestern Manufacturing's customer-approved special process sources.
3. Suppliers shall ensure appropriate competence of its personnel, including any required qualifications, when applicable, to provide additional confidence of the conformance of purchases.
4. Suppliers shall ensure its personnel are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.
5. Northwestern Manufacturing monitors supplier performance, including both on-time delivery, and quality of purchases, and will react accordingly based on performance concerns.
6. Northwestern Manufacturing 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 Northwestern Manufacturing's authorized manager or designee.
7. Furthermore, the supplier is required to notify Northwestern Manufacturing of any changes to a product and/or process and to obtain approval from an authorized Northwestern Manufacturing manager or designee (if applicable).
8. Northwestern Manufacturing, their customers, and regulatory authorities retain the right of access to all supplier facilities utilized in the accomplishment of this order and to all applicable records.
9. The AS9100 standard requires that all applicable customer/regulatory/AS9100 requirements for the supplier to flow-down to sub-tier suppliers (includes requirements in the purchasing documents and key characteristics where required). However, Northwestern Manufacturing does not allow its suppliers to subcontract any product or process to a sub-tier supplier without Northwestern Manufacturing expressed written consent.
10. Northwestern Manufacturing performs inspection activities to ensure that purchased product meets purchase requirements. They may include: Receiving inspections (of supplier products / services / documents) performed by a designated employee. Northwestern Manufacturing 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



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specifications or by other means. When necessary, Northwestern Manufacturing 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 the compliance cannot be verified by inspections will require a Certificate of Conformity.

11. When appropriate, Northwestern Manufacturing may delegate the inspection authority to one of its approved suppliers. Northwestern Manufacturing will communicate the inspection requirements (including approved monitoring and measurement equipment/methods) and Northwestern Manufacturing will maintain a record of those approved to carry out such inspections.

12. When Northwestern Manufacturing or its customer intends to perform verification at the supplier's premises; Northwestern Manufacturing will first state the intended verification arrangements and the method of product release. This information will be communicated on the Northwestern Manufacturing Purchase Order or via another acceptable purchasing arrangement.

13. Where specified in the contract, the Northwestern Manufacturing's customer or customer's representative will be afforded the right to verify at the supplier's premises and Northwestern Manufacturing's premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by Northwestern Manufacturing as evidence of effective control of quality by the supplier and shall not absolve Northwestern Manufacturing or its supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

14. To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), Northwestern Manufacturing 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 Northwestern Manufacturing's Purchase Order or may otherwise be communicated to the supplier.

15. Records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements and should otherwise be kept confidential.

16. Northwestern Manufacturing 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 Northwestern Manufacturing's Approved Supplier List, and legal actions.

17. Northwestern Manufacturing requires all records related to provision of this purchase order be retained for a minimum of 10 years or by call out on current P.O.