Terms and Conditions: Supplier General Requirements

These terms and conditions (the "Terms") supplement any existing agreement, purchase order, or contract between the **Organization** and the **Supplier** (collectively, the "Parties") and outline mandatory quality management and operational requirements for all products and services provided to the Organization.

1. Quality Management System (QMS)

Suppliers are encouraged to maintain a Quality Managment System that meets the requirements of ISO 9001:2015. In the absence of a certified QMS, Disco Machine and Manufacturing reserves the right to audit the supplier to ensure the supplier's ability to meet contractual requirements.

2. Prevention of Counterfeit Parts (Reference 8.1.4)

2.1 Counterfeit Part Control Plan

The Supplier shall implement and maintain a documented process to prevent the use of counterfeit or suspect counterfeit parts, materials, and assemblies. This process shall include, but not be limited to:

- Training of personnel.
- Procurement of parts only from original equipment manufacturers (OEMs), authorized distributors, or other approved sources.
- Risk mitigation strategies, including monitoring of obsolescence and component market trends.
- A mechanism for the traceability of components and materials.
- Methodologies for the inspection and testing of suspect counterfeit parts.

2.2 Reporting and Segregation

If the Supplier becomes aware of, or suspects, that counterfeit or suspect counterfeit parts have been furnished, the Supplier shall immediately notify the Organization and quarantine the affected materials. The Supplier shall be solely responsible for the costs associated with the replacement and re-verification of suspect counterfeit parts.

3. Notification and Approval of Changes

The Supplier shall notify the Organization in advance of any changes affecting the contracted processes, products, or services. This includes, but is not limited to:

- Changes to the design, specification, or composition of the product or service.
- Changes to manufacturing processes, equipment, or tooling.
- Changes involving the Supplier's external providers (sub-tier suppliers) used for the fulfillment of the Organization’s order.
- Changes in the location of manufacture or service provision.

The Supplier shall obtain the Organization’s written approval prior to the implementation of any such changes. Failure to obtain prior approval may result in non-conformance rejection and cancellation of the relevant order.

4. Flow Down of Applicable Requirements

The Supplier shall be responsible for flowing down all applicable requirements, including specific customer requirements, statutory and regulatory requirements, and key characteristics identified by the Organization, to its external providers (sub-tier suppliers). The Supplier shall ensure that its external providers comply with all applicable quality and contractual requirements.

5. Provision of Test Specimens

The Supplier shall provide test specimens, as requested by the Organization, for the following purposes:

- Design approval and qualification.
- Inspection and verification of conformance.
- Investigation of non-conforming products.
- Auditing of the Supplier's processes or products.

The required number, size, and disposition of test specimens shall be specified by the Organization or in the applicable product specifications.

6. Documented Information Retention and Disposition

6.1 Retention Requirements

The Supplier shall retain documented information (records) that provides objective evidence of conformance to all specified requirements. Unless otherwise specified in the purchase order or contract, the minimum retention period for all quality, process, and material records shall be ten (10) years from the date of the last delivery under the relevant contract.

6.2 Disposition

Upon expiration of the retention period, the documented information shall be disposed of in a secure and controlled manner, unless written permission is obtained from the Organization to retain the records for a longer period. Records shall be made available to the Organization, regulatory bodies, and customers upon request during the specified retention period.

Terms and Conditions: Right of Access

1. Scope and Applicability

These terms and conditions govern the right of access for the Organization, its Customers, and relevant Regulatory Authorities (collectively, "Authorized Parties") to the facilities and documented information (collectively, "Applicable Assets") of all entities within the supply chain, at any tier (the "Supplier").

2. Definitions

- **Organization:** The entity commissioning the product or service, or its representative.
- **Customer:** The end-user or direct recipient of the product or service, or its representative.
- **Regulatory Authorities:** Any national, regional, or international governmental or non-governmental body with jurisdiction over the product, service, or the Supplier's operations (e.g., FDA, FAA, ISO certification bodies).
- **Applicable Areas of Facilities:** Any part of the Supplier's premises involved in the design, development, manufacturing, testing, storage, handling, or processing of the products or services related to this agreement, including production floors, laboratories, and secure storage areas.
- **Applicable Documented Information:** Any records, data, specifications, procedures, processes, quality management system documentation, audit reports, inspection results, non-conformance records, and training records directly related to the contracted products or services.

3. Conditions of Access

3.1. Purpose of Access

Access shall be granted solely for the purposes of:

- Verifying compliance with contractual requirements, technical specifications, and quality standards.
- Conducting quality assurance audits, inspections, or surveillance activities.
- Investigating quality issues, non-conformances, or failures.
- Fulfilling statutory, regulatory, and certification obligations.

3.2. Prior Notification

The Organization or Customer shall provide the Supplier with reasonable advance written notice of any planned access or audit, specifying the Authorized Party, the scope of the inspection/audit, and the names of the visiting personnel. Regulatory Authorities may be exempt

from this minimum notice period as required by law or mandate, in which case the Supplier shall be notified immediately upon receipt of the Authority's request.

3.3. Designated Escort and Supervision

The Supplier shall designate competent personnel to escort and supervise the Authorized Parties during all on-site access to ensure compliance with the Supplier's safety, security, and operational protocols, and to facilitate efficient access to Applicable Assets.

3.4. Confidentiality and Security

- Authorized Parties shall adhere to all of the Supplier's reasonable security and confidentiality requirements, including non-disclosure agreements, while on-site or reviewing documented information.
- The Supplier reserves the right to withhold access to areas or information deemed proprietary or sensitive if such assets are not directly related to the contracted products or services, provided such refusal does not impede the Authorized Parties' ability to fulfill their verification or regulatory mandate.
- No photographic, video, or electronic recording devices shall be used in the facilities without the Supplier's express prior written consent.

3.5. Supply Chain Extensibility

This right of access must be flowed down contractually by the Supplier to all sub-tier suppliers or subcontractors involved in the provision of the contracted products or services ("Sub-tier Suppliers"). The Supplier must ensure that the Authorized Parties maintain the same right of access to the Sub-tier Suppliers' Applicable Assets.

4. Duration and Termination

This right of access shall remain in effect for the entire duration of the contract, plus a period of 1 year thereafter, or as long as required by relevant statutory or regulatory document retention requirements, whichever is longer.

Terms and Conditions: Quality, Safety, and Ethical Behavior

By utilizing our products and services, all personnel, including employees, contractors, and other individuals working on behalf of Disco Machine and MFG., acknowledge and agree to the following terms regarding their responsibilities:

1. Quality and Product/Service Conformity

All personnel are required to understand and execute their assigned duties in a manner that ensures the **conformity of our products and services** to specified requirements, including customer, statutory, and regulatory standards.

- **Contribution to Conformity:** Each individual must be aware of how their specific role, processes, and outputs directly impact the overall quality and compliance of the final product or service delivered to the customer. This includes adherence to documented procedures, work instructions, and quality management system requirements.
- **Reporting Non-Conformities:** Personnel are responsible for promptly identifying, documenting, and reporting any deviations, defects, or non-conformities related to products, services, or internal processes.

2. Product Safety

A primary commitment of every person is to the safety of our products and services.

- **Contribution to Product Safety:** Personnel must be actively conscious of how their actions influence the safety features and performance of the product or service. Where applicable, this involves strictly following safety protocols, using appropriate tools and protective equipment, and ensuring that components and materials meet required safety specifications.
- **Safety Hazard Awareness:** All individuals are obligated to identify and report potential product safety hazards or risks immediately to management. No action should be taken that compromises the inherent safety of the product or service.

3. Ethical Behavior

Personnel must conduct all business activities with the highest standards of honesty, integrity, and fairness.

- **Importance of Ethical Behavior:** Ethical conduct is fundamental to maintaining trust with our customers, partners, stakeholders, and the public. Personnel are expected to act in good faith, avoid conflicts of interest, and protect company assets and confidential information.
- **Compliance with Laws and Regulations:** All personnel must comply with all applicable local, national, and international laws, regulations, and industry standards related to their work and the company's operations. This includes, but is not limited to, laws concerning bribery, corruption, labor practices, and environmental protection.
- **Non-Retaliation:** Personnel are encouraged to raise concerns or report potential ethical violations without fear of retaliation. The company commits to investigating all reported concerns fairly and confidentially.

By continuing to contribute to Disco Machine and MFG operations, personnel confirm their commitment to these principles. Failure to adhere to these Terms and Conditions may result in disciplinary action up to and including termination of employment or contract.