



## **Supplier Terms and Conditions & Quality System Requirements**

Date: May 29, 2025

Applies To: All external providers, subcontractors, and vendors supplying goods or services to Southwest Metal Treating, Inc. dba SWMT including subsidiaries and assigns .

### **1. Purpose**

This document prescribes the terms, responsibilities, and minimum Quality System requirements to be followed by subcontractors and suppliers providing goods and services to SWMT, including SWMT Aerospace projects. It also reinforces the importance of ethical behavior, confidentiality, and product conformity and safety in all business activities.

### **2. Acceptance of Terms**

By accepting a purchase order or conducting business with SWMT, the Supplier agrees to these Terms and Conditions. Any deviation must be authorized in writing by SWMT.

### **3. Confidentiality and Proprietary Information**

All data, designs, drawings, specifications, technical documentation, and communication shared by SWMT shall be treated as confidential and proprietary.

- Supplier shall disclose such information only to employees or affiliates with a legitimate need-to-know.
- This obligation extends to any sub-tier providers and survives termination of the relationship for five (5) years.

### **4. Quality System Requirements**

#### **4.1 Compliance Standards**

- Non-Aerospace Suppliers: Shall maintain a structured, documented Quality System aligned with ISO 9001 (certification not required).
- Aerospace Suppliers: Shall maintain compliance with AS9100 standards (certification not required)

#### **4.2 Review and Retention of Records**

- SWMT, its customers, or regulatory authorities reserve the right to review, verify, and audit supplier processes and quality records.
- Record retention requirements:
  - 40 years for flight safety parts
  - 30 years for manned space flight hardware
  - 10 years for all other parts

#### **4.3 Supplier Qualification**

- Suppliers must be in good standing on SWMT's Approved Supplier List.
- Annual performance evaluations will be conducted.

#### **4.4 Non-Conformance Management**

- All non-conforming products must be identified, segregated, and reported to SWMT immediately, regardless of when discovered.
- Final disposition will be determined by SWMT.
- If Corrective Action is required, suppliers must contain the issue, perform root cause analysis, and implement documented corrective action.

#### **4.5 Notification of Changes**

Suppliers must notify SWMT in writing of changes to:

- Product or process
- Manufacturing location or facility
- Sub-tier suppliers

#### **4.6 Flow-Down of Requirements**

Suppliers are responsible for flowing down applicable requirements—including quality standards, confidentiality obligations, and on-time delivery expectations—to all sub-tier external providers.

#### **4.7 Right of Access**

SWMT, its customers, and regulatory authorities shall have the right of access to:

- All relevant facilities
  - All applicable records throughout the supply chain
- #### **4.8 Work Transfer and Verification**

Transfers of work must be performed and verified according to:

- The Purchase Order
- Drawings, specifications, and applicable regulatory standards

#### **4.9 Counterfeit Parts Prevention**

Suppliers shall implement processes to detect and prevent the use of counterfeit parts or materials.

- Preference should be given to sourcing directly from OEMs.
- Traceability to the OEM must be demonstrated for products acquired through distributors.

#### **5. Delivery, Documentation, and Risk of Loss**

Delivery must meet schedule commitments in the purchase order.

All shipments must include documentation clearly identifying:

- Purchase order number
- Part number and revision level
- Quantity
- Applicable certifications or material test reports

Risk of loss remains with the Supplier until SWMT inspects and accepts the goods.

#### **6. Ethical Conduct**

Suppliers must:

- Demonstrate ethical behavior in all transactions
- Avoid conflicts of interest
- Understand their contribution to product safety, conformity, and integrity

#### **7. Compliance with Law**

Suppliers must comply with all applicable:

- Federal, state, and local laws
- Environmental and safety regulations
- U.S. export control laws (e.g., ITAR, EAR)
- Conflict minerals requirements (if applicable)

#### **8. Indemnification and Insurance**

Supplier agrees to indemnify SWMT from any claims, damages, or liabilities resulting from:

- Breach of this agreement
- Negligence or failure to comply with legal/regulatory obligations

SWMT may require suppliers to maintain appropriate liability insurance and provide certificates upon request.

## **9. Environmental and Climate Consideration**

Suppliers should determine whether climate change is a relevant concern to their operations and take reasonable actions to minimize negative environmental impact in accordance with industry best practices.

## **10. Termination**

SWMT may terminate any purchase order or agreement at its sole discretion.

In such cases, the Supplier shall:

- Immediately cease work
- Return SWMT property and confidential information
- Settle accounts per agreed terms

## **11. Governing Law**

This agreement is governed by all State and Federal laws applicable.

## **12. Acknowledgment**

By supplying goods or services to SWMT, the Supplier acknowledges and agrees to comply with these Terms and Conditions, including all Quality System Requirements herein.

### **Supplier Acknowledgment**

By signing below, the Supplier confirms they have read, understood, and agree to comply with the above Terms and Conditions and Quality System Requirements.

Company Name: \_\_\_\_\_

Authorized Representative (Print): \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_