



JF Machine Inc.	QMSD-1011 Terms and Conditions		
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General: As a supplier to JF Machine, it is understood that when accepting our purchase orders, your organization agrees to meet the following stipulations / AS9100 requirements. We are committed to conducting business to the highest ethical standards, and we expect our suppliers to conduct their business in the same manner.

These requirements are to be considered as terms and conditions to all purchases:

1. Where required on the JF Machine Purchase Orders, its suppliers must use JF Machine's customer-approved special process sources.
2. JF Machine 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 the relevant JF Machine Purchasing Agent. The name of the relevant Purchasing Agent can be found on each individual purchase order.
3. Furthermore, the supplier is required to notify JF Machine of any changes to a product and/or process and to obtain approval from the relevant JF Machine Purchasing Agent when applicable.
4. JF Machine, its customers, and regulatory authorities retain the right of access to all supplier facilities involved in the aerospace order and to all applicable records.
5. 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, JF Machine does not allow its aerospace suppliers to subcontract any product or process to a sub-tier supplier without JF Machine expressed written consent.
6. JF Machine performs inspection activities to ensure that purchased product meets purchase requirements. They may include:
 - a. Receiving inspections (of supplier products / services / documents) may be / are performed by a designated employee. JF Machine 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 specifications or by other means. When necessary, JF Machine may inspect or audit at the supplier's facility.
 - b. 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 Conformance.
7. When appropriate, JF Machine may delegate the inspection authority to one of its approved suppliers. JF Machine will communicate the inspection requirements (including approved monitoring and measurement equipment/methods), and JF Machine will maintain a record of those approved to carry out such inspections.
8. When JF Machine or its customer intends to perform verification at the supplier's premises; JF Machine will first state the intended verification arrangements and the method of product release. This information will be communicated on the JF Machine Purchase Order or via another acceptable purchasing arrangement.
9. Where specified in the contract, the JF Machine's customer or customer's representative will be afforded the right to verify at the supplier's premises and JF Machine's premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by JF Machine as evidence of effective control of quality by the supplier and shall not absolve JF Machine or its supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.
10. To prevent the purchase of counterfeit, suspect, or unapproved products and to ensure product identification and



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traceability (and for other reasons), JF Machine will institute controls that include the requirement of Material Certificates, Certificates of Conformance, and/or other supporting documentation from its suppliers as is appropriate. These requirements may be specified on JF Machine's Purchase Order or may otherwise be communicated to the supplier.

11. Records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements. These records must be retained for a period of 7 years.
12. JF Machine expects 100% on time delivery. If the agreed upon delivery cannot be met, the relevant JF Machine Purchasing Agent must be notified in advance. If a JF Machine annual supplier evaluation identifies a supplier with an on time delivery rate of 90% or less, a corrective action can be issued.
13. JF Machine requires that products provided by its Approved Suppliers be correct and free of defect per the supplied Purchase Order. If JF Machine annual supplier evaluation identifies a supplier with a scrap/rework rate that exceeds 2% of their JF Machine work orders, a corrective action can be issued.
14. JF Machine 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 JF Machine's Approved Supplier List, and/or legal action.
15. The supplier must be aware of their contribution to product and/or service conformity, their contribution to product safety, and the importance of ethical behavior.