



## **Supplier Terms & Conditions Agreement**

**General:** Scion Aviation, LLC. (hereafter, "Scion Aviation") operates under a Quality Management System compliant with AS9100:2016 Rev D. As a supplier to Scion Aviation, it is understood that by acceptance of a Scion Aviation Purchase Order (PO), your organization agrees to meet the requirements listed below. In this document, "supplier" refers to the company or entity Scion Aviation contracts with, via a PO, to provide raw materials, products, or services that impact Scion Aviation ability to meet its customer's requirements.

1. By accepting a PO, a supplier commits to meet Scion Aviation 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 Scion Aviation requirements have been met
  - Delivery of product on or before the stated required date
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 Scion Aviation requirements, the supplier must notify an appropriate representative of Scion Aviation in advance of making the change.
4. Scion Aviation expects 100% on time delivery. If the required by date on a PO cannot be met, the supplier must notify Scion Aviation's Supply Chain Manager in advance.
5. Scion Aviation monitors supplier performance, and determines a Supplier Performance Rating (SPR) based on the following formula:

$$SPR = \left( \frac{(Total\ Line\ Items - Late\ Items)}{Total\ Line\ Items} + \frac{(Total\ Line\ Items - Nonconformities)}{Total\ Line\ Items} \right) \div 2$$

6. Suppliers who do not maintain an SPR of >92% may be removed from Scion Aviation Approved Supplier List without advance warning.
7. Suppliers will be expected to complete and return self-evaluations as requested by Scion Aviation Supply Chain Manager. These self-evaluations are intended to provide Scion Aviation the information needed to understand the scope of a supplier's Quality Management System, and help determine what, if any, risk mitigation activities Scion Aviation will perform to manage that supplier. Suppliers who do not complete the self-evaluation as requested may not be added to Scion Aviations Approved Vendor List.
8. Suppliers must notify Scion Aviation of nonconforming products detected both before and after product acceptance. Disposal methods of nonconforming products must be approved by Scion Aviation.
9. Scion Aviation will notify suppliers in the event that nonconforming product is detected after product acceptance. Depending on the severity and scope of the nonconformity, Scion Aviation may issue a formal Corrective Action Request to the supplier of nonconforming product.
10. Suppliers are responsible for taking all necessary steps to prevent the introduction of counterfeit parts to the supply chain. Specific requests for product traceability, or the requirement for material/conformity certificates will be specified via PO.
11. When Scion Aviation intends to perform verification/validation activities at the



- supplier's premises, this will be communicated to the supplier in advance.
12. Suppliers must flow down Scion Aviation requirements (including Scion Aviation customer requirements) to their supply chain as applicable.
  13. Suppliers are responsible for ensuring that its 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
  14. 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 Ten (10) years after product acceptance. In cases where the duration of retention is increased (e.g. at the request of Scion Aviation customer), specific instructions will be provided on the PO.
  15. Scion Aviation, 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.