

THE PROGRESS GROUP, INC.

SALES - SERVICE – REPAIRS – FIELD MACHINING

Phone: 219-322-3700
918 Kennedy Avenue

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Scherville, Indiana 46375-1326

Supplier Terms and Conditions (Revision 06/27/2023)

General: As a supplier to The Progress Group, Inc. (TPG), you become a key contributor to the products and services that we deliver to our customers. We value the conformance of your products and services to our specifications and requirements, your contribution to our product's safety, and your ethical business practices. TPG's Quality System is based on the requirements of AS9100D in addition to the ISO 9001:2015 requirements. As a supplier (seller) to TPG (buyer), the supplier agrees to meet the following stipulations for AS9100D requirements for the purchase order or subcontract.

Scope: These terms and conditions apply to all external suppliers and sub-tier suppliers which furnish products, processes, or services to be incorporated into TPG's contractually deliverable products.

1. When indicated on the TPG purchase order, suppliers must use TPG's customer-approved special process sources (anodize, heat treat, etc.).
2. TPG 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 TPG authorized manager or designee.
3. The supplier shall notify TPG of any changes to a product and/or process, including changes of external providers or location of manufacture that may affect conformance to specifications or requirements, and to obtain approval from an authorized TPG manager or designee prior to production. If a First Article of Inspection (FAI) was required by the contract for the first product, a new FAI shall be required from the supplier.
4. TPG, our customers, and regulatory authorities retain the right of access to supplier:
 - a. Facilities involved in the product order.
 - b. Records applicable to product conformance to specifications, which shall be retained for three years from date of purchase order.
5. TPG will require our external providers to apply the appropriate controls to their direct and sub-tier external providers to ensure that product requirements are met. The appropriate controls may include customer/regulatory/AS9100D specific requirements, and will be indicated on the TPG purchase order.
6. TPG performs inspection activities to ensure that purchased product meets requirements, including:
 - a. Receiving inspections (of supplier products / services / documents) performed by a designated employee. TPG 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, TPG may inspect or audit at the supplier's facility.
- b. Product inspections to ensure they meet requirements, dimensions, etc. Special processes (anodizing, heat treat, etc.) where compliance cannot be verified by inspection will require a Certificate of Conformity.
 - c. Product/service conformity and on-time delivery will be monitored by TPG.
7. When TPG or its customer intends to perform verification at the supplier's premises, TPG will first state the intended verification arrangements and the method of product release. This information will be communicated on the TPG RFQ, purchase order, or via another acceptable purchasing arrangement.
8. To ensure product identification and traceability, TPG 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 TPG's RFQ, purchase order, or may otherwise be communicated to the supplier.
9. All special process must be performed by qualified and competent persons.
10. TPG requires that the Supplier have policies and procedures to identify potential Counterfeit Parts from suppliers. Seller shall immediately notify TPG with the pertinent facts if Supplier becomes aware of or suspects that Counterfeit Parts may have been used in a product delivered to TPG. In the event that products delivered under this order constitutes or includes Counterfeit Parts, Supplier shall, at its expense, promptly replace such Counterfeit Parts with genuine parts conforming to the requirements of this order. Notwithstanding any other provision in this order, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Parts.
11. TPG may also require specific actions where timely and/or effective corrective actions to a supplier issue 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 TPG's Approved Supplier list, and legal action.