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|  | Dynamatic-Oldland Aerospace® | Doc. No.: | DOA/L4/SCM/FOR/905 |
| | | Date of Origin: | 13 Aug 2020 |
| | TITLE: TERMS AND CONDITIONS FOR THE SUPPLY OF BOM ITEMS | Issue: | 1.0 |
| | | Issue Date: | 13 Aug 2020 |

AMENDMENT HISTORY


| Issue No. | Date | Reason for Amendment |
|------------------|-------------|---------------------------------|
| 1.0 | 13-Aug-2020 | Initial Release of the Document |
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General Terms and Conditions

Applicable to all Supply Chain Partners

01. The Information contained in this document is the exclusive property of Dynamatic and has been disclosed with a specific aim. The addressee shall agree that this document will be neither copied nor reproduced, in part or in whole, and that the contents of this document will not be disclosed to any third parties other than to serve the objective for which it was forwarded.
02. Supplier shall evaluate each non-conformance for its potential to exist in the previously produced or delivered items, Items in transit to Dynamatic, If any non-conformance exists, supplier shall notify Dynamatic in writing within 24 hours.
03. Dynamatic, its Customer and Regulatory authorities shall have right of access to all facilities involved in the order and to all applicable documented information, at any level of the supply chain. Suppliers shall include the provisions of this facility access requirement in the POs placed on their subcontractors.
04. Upon Dynamatic request, Supplier shall make records available to Dynamatic for at least ten (10) years after completion of all deliveries of the PO and for longer periods as specified elsewhere in the Project related Quality requirement annexure.
05. Supplier's should comply the Dynamatic quality management system requirements, i.e. Supplier quality hand book **DTL/L3/QLY/WI/132** and QA requirement for subcontractor **DOA/L3/SCM/WI/003** as appropriate.
06. Supplier shall exhibit additional capability/capacity to achieve flexibility in meeting customer demand to the extent of 15% to 20%.
07. Supplier is responsible to communicate Dynamatic on obsolescence observed during manufacturing processes/Products performed at Supplier premises.
08. Supplier shall utilize applicable industry/customer standards for packing and shipping products to Dynamatic. The packing shall prevent leaks, scratches, damages, dents etc.
09. Proper identification like Specification, Batch number, Thickness, Quantity, Date of manufacture, Date of expiry, Handling precautions if any MSDS etc. as applicable shall be made available with all supplies.
10. Any deviation to the required specification may be intimated well in advance and prior approval should be obtained by Dynamatic.
11. In case of defects noticed during processing, the material shall be returned to the Dynamatic with the Supplier cost.
12. Upon shipment, shelf life remaining shall meet the minimum shelf life specified on the purchase order. If no shelf life is specified in purchase order, 80 percent of the shelf life shall be remaining on products when receipt at Dynamatic.
13. Supplier shall notify Dynamatic of any changes in the certification/registration/accreditation or Major audit findings within 3 business days of receiving notification of the change or finding. Examples of changes in registration includes New certification, Suspension or expiration of AS9100, AS9120, Process qualification, etc. as applicable.
14. Supplier shall notify Dynamatic of changes to Processes, Products, Services, including changes to their external providers or location of manufacture and obtain Dynamatic approval prior to implementation of such changes.
15. Supplier shall prevent the use and delivery of counterfeit parts to Dynamatic. Supplier shall notify Dynamatic with the pertinent fact if supplier becomes aware or suspect that it has furnished counterfeit work.

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16. First Article Inspection shall be performed in accordance with the latest applicable revision of AS9102.
17. Persons working on the parts involved in this PO shall be aware of their contribution to product conformity, Product safety and importance of the ethical behaviour.
18. Supplier shall plan, implement and control the processes needed to assure product safety.
19. Supplier is required to establish and maintain a FOD prevention program and shall ensure that the parts being delivered to Dynamatic shall be free from FOD.
20. Supplier shall comply to requirements stated in project specific annexures based on the recommendations of end users as declared in the PO.
21. It will be the responsibility of the supplier to provide replacement or repair, at free of cost, of non-conforming components/ assemblies found at the field of end customers or at the manufacturing location of Dynamatic because of defective and non-conforming material supplied by the supplier.
22. It will be the responsibility of the supplier to take back the rejected non-conforming materials with acknowledgement within 15 working days at their own cost and logistic arrangement.
23. Supplier shall ensure the delivery of ordered parts/materials with full legal compliance and proper transportation documents like Invoice, Delivery Challans with the all relevant mandatory information, including but not limited, to supplier Name, Vendor Code, Drawing Number, Part Number & Description of the material / part specified in the purchase order (PO).
24. In the case of Dynamatic subcontracting process where Dynamatic will supply raw material for processing, supplier will provide the periodic monthly stock statement of its inventory.
25. The Supplier should return the resultant scrap generated during machining on a monthly basis. At any given point of time Dynamatic reserves the right to retrieve all material lying at supplier end.
26. Supplier shall in compliance to the ISO 14001 Standards, any toxic / hazardous substance as defined in - *Schedule 1, Part I, II, III, Schedule 2, Schedule 3 Part I and Part II of Manufacture and Import of Hazardous Chemical Rules 1989* - contains in any of process / product supplied by supplier, supplier shall share the MSDS (Material Substance Data Sheet) for Dynamatic reference.
27. The material must be despatch in an appropriate safe mode of transport to the destination mentioned in the Purchase Order. In case of partial supplies, Dynamatic approval must be obtained.
28. No charges for cartage, packing etc. will be charged, unless the same is specifically agreed in the specific Purchase order.
29. In case of subcontracted items with our material, failure to supply or return the material within 75 days under rule 57F (3) 56(B) of central excise, the Excise duty payable on them will be debited to supplier's account.
30. All drawing, samples or technical data supplied to supplier by Dynamatic shall be kept as secret and shall not be sold or disclosed and shall return to Dynamatic as and when demanded. Failure to comply with this shall make supplier liable for breach of trust and other action as may be deemed fit by us.
31. The item manufactured by supplier from the data furnished by Dynamatic must not be sold or divulged by supplier to any third parties. If supplier manufactures excess quantity than Dynamatic order, supplier shall preserve the same for ultimate sell to Dynamatic on our demand. Alternatively, in case Dynamatic does not buy the excess manufactured quantity, the supplier will destroy the such goods and supplier shall not under sell such goods to any other third party without Dynamatic's prior written consent. The same condition applies to supplies rejected by us. Parts similar to parts manufactured for us should not be manufactured by supplier.
32. No upward revision of price will be permitted during the period of contract unless agreed by Dynamatic.
33. The Dynamatic reserves the right to cancel and terminate the contract, without any liability, if prevented by any intervention or control by the government authorities or any other force majeure cause beyond the control of the Dynamatic where by the Dynamatic is unable to make use of the material ordered by stoppage, suspension of production or otherwise.

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34. The relationship between the parties shall be governed by the Indian law and the competent civil courts in Bangalore, State of Karnataka, India, alone shall have the exclusive jurisdiction to try any dispute concerning all our purchase orders.
35. Suppliers shall conduct their operations in a way that protects the environment. Suppliers are expected to comply with all applicable laws, including but not limited to, environmental laws, labour laws, and regulations of the State and Central Governments like ISO 14001, OHSAS 18001. etc.
36. Supplier that are not complying to engineering requirement, rejection/NCR cost will be charged back to suppliers. Disruption charges includes but not limited to containment cost, Assembly tear down cost, Rework Cost, Logistic cost, Scrap cost, General Administration cost (Paper cost), Inspection Cost etc. These cost details will be shared before debiting into the account.
37. Supplier is responsible for monitoring, reviewing and escalation to Dynamatic for extension of MLA (Manufacturer Licence Agreement), NDA (Non Disclosed Agreement) and any other commercial agreement as applicable.
38. Every month domestic Suppliers should comply the GSTR and GST3B returns.
39. Two advance copies of supplier invoice to be sent to Dynamatic for arranging Insurance as Appropriate (As applicable).
40. Suppliers are expected to comply with the applicable child labour laws. Suppliers should employ only workers who meet the applicable minimum legal age requirement for their respective locations.
41. "Supplier shall indemnify and hold Dynamatics harmless from any liability, loss, damage or expense owed to third parties (including reasonable attorney's fees and costs) to the extent caused by (a) gross negligence or intentional misconduct by supplier or its employees, agents or subcontractors in the performance of obligations hereunder, (b) a material breach of any obligations by supplier, or (c) any copyright or trademark infringement claims by third parties as a result of Dynamatic' s use of deliverables/materials supplied by supplier under an applicable PO".
42. In the event the delays caused in delivery due to Supplier internal failure like (Planning issue by supplier) then additional charges not limited to fright, expedition should be borne by supplier. If delay is due to failure of external factors like customer testing or approval or FAI approval and outside the control of the supplier this clause will not be applicable


In addition to above, respective suppliers, as the case may, if applicable, are deemed to have complied with the following additional terms and conditions based on their scope of work, as applicable.

Terms and conditions – RM Supplier.

1. Raw materials supplied to Dynamatic shall be accompanied with manufacturers Certificate of Conformance. The Certificate of conformance shall contain the required technical details related to physical properties, chemical compositions, Heat treat condition, Bare/Clad, etc.

Terms and conditions – Stockists/Distributors.


1. In case of items purchased from the stockists/Distributors, the material should accompany with Certificate of Conformance. The Certificate of Conformance shall include a copy of Material Manufacturer's Certificate containing chemical composition and physical properties included as lab report.
2. As a minimum the Stockists/Distributors actually supplying the material and the manufacturer must be customer approved/designated. The materials must be in accordance with the Purchase Order requirements in all cases.
3. In the event of hardware parts, Distributor Shall consider the latest engineering level which is released by end customer (OEM) for part despatch. Any changes in engineering levels should be communicated to Dynamatic at minimum of once in a six months.

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Terms and conditions – Sub-contractor’s/Sub tiers/BOI.

1. In case of Raw Material purchased by the Supplier, the Supplier should purchase the Raw Material from the stockiest along with Certificate of Conformance. The Certificate of Conformance shall include a copy of the material manufacturer’s Certificate which shall have chemical composition and physical properties included as lab report. Where there are several stockiest in a chain all the stockiest certificates in the chain must be provided.

As a minimum the stockiest actually supplying the material and the manufacturer must be customer approved/designated. The materials must be in accordance with the Purchase Order requirements in all cases.
2. Program / tooling may be proved on any substitute material prior to taking up First Component machining. In case of query/concerns, Dyanamtic shall be contacted. For machined components, The First Article Inspection may be made using CMM approved by Dynamatic.
3. All supplies shall accompany with Dimensional Inspection Reports for respective components.
4. All parts are to be marked with the part number and serial number or the batch number using indelible ink at the place suggested in the drawing. The method for batch numbering will be intimated through annexure.
5. Utmost care shall be taken for deburring and removal of sharp edges.
6. For Sub contracting supplier all the Drawings and Unused material shall be returned to Dynamatic on completion of the order. The Route Cards are to be returned along with the supplies.
7. For Sub contracting supplier in case of any inherent defect noticed on the supplied material while machining, discontinue machining and the same may be brought to the notice of Dynamatic.
8. For sub-contracting suppliers in case of rejection due to supplier noncompliance, the material cost will be recovered in addition to the machining cost
9. Supplier shall manufacture parts are to be made exactly as per the drawing supplied along with the Purchase order.
10. The material supplied is very expensive and not available in market. Hence, extreme care shall be taken while moving, handling, storing and processing. Scratches, dents and damages will disqualify the components.
11. Proper identification and traceability for the material supplied by Dynamatic shall be maintained at all stages of production viz. Storage, moving, handling and processing. Material shall always be accompanied with proper documents/records such as process sheets, route cards or identification tags, whichever is appropriate.
12. No. Operation should be sub contracted by a supplier, without prior permission of Dynamatic.
13. The Drawing and Process sheet given by Dynamatic to the Sub-contractor/Sub-tiers/BOI for manufacture of the component required by Dynamatic against various Purchase Orders placed is in strict confidence and should keep them in safe custody. The information contained in the document should not be divulged to any other person. The Sub-contractor/Sub-tiers/BOI shall be solely responsible to prevent any possible pilferage of this / these documents. Any violation of these instructions will make the Sub-contractor/Sub-tiers/BOI liable for penal action under Section 3 and 5 of the official secrets Act, 1973.
14. Refer Dynamatic Annexure DTL/L4/SCM/FOR/065 for Part Details, Raw Material Specification, Work order, Quantity, PO number.

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Annexure – A


Suppliers shall comply to all the requirements specified in Annexure-A, if the PO declares end user as “**Boeing**”

Project: Boeing-Chinook

1. For Q clauses, Please refer the Document No. DTL/L4/QLY/FOR/416.
2. Boeing Quality Management System – D6-82479
3. Boeing Approved Sources are available in the D1-4426 portal
link: <http://active.boeing.com/doingbiz/d14426/index.cfm>
4. Supplier shall comply requirements stated in below Boeing clauses and are available in below link:
<http://www.boeingsuppliers.com/idscommon/>
 - GP-1:-General Terms and Conditions as Modified Below
 - E000 :-Supplier Accountability Requirements for Buyer/Government.
 - E223 :-Seller Special Tooling Requirements
 - H202:-Customer Contract Flow down Provisions
 - H208 :-Government Regulations Inapplicable to Foreign work
 - H307P: -Engineering Changes
 - H900: -Additional General Provisions
 - H905: -Embedded or Hidden Data
 - M000: -Reporting Discrepancies in Buyer Drawings
 - M100: -Solicitation/Contract Attachments
 - SP-3:-International Provisions.
 - H101 Prior Approval of Foreign Sources
 - H103A Mfg. License Agreement, Whs Dist. Agmt. Tech Assist Ag
 - H107 Export taxes
5. For Tooling refer document D-950-11059-1
6. COC and Mill Test reports required.
7. Mill should be D-Fars Compliant.

Project: Boeing-P8A

1. For Q clauses, Please refer the Document No. DTL/L4/QLY/FOR/416.
2. Boeing Quality Management System – D6-82479
3. Boeing Approved Sources are available in the D1-4426 portal link:
<http://active.boeing.com/doingbiz/d14426/index.cfm>
4. Supplier shall comply requirements stated in below Boeing clauses and are available in link:
<http://www.boeingsuppliers.com/idscommon/>
 - GP-1:-General Terms and Conditions As Modified Below
 - C103 COMMERCIAL BILL OF LADING-FREIGHT PREPAID

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- C601 FCA (FREE CARRIER) (VARIABLE)
 - D002 LIST OF BUYER FURNISHED MATERIAL (VARIABLE)
 - D519S PROCESS AND MATERIAL SPECIFICATIONS
 - D607 MATERIAL SUBSTITUTION
 - E000 SUPPLIER ACCOUNTABILITY RQMTS FOR BUYER/GOV.PROP.
 - E223 BDS SELLER SPECIAL TOOLING REQUIREMENTS
 - F100 Audit Rights and Examination of Proposed Costs
 - GP7 Fixed Price Goods Under US Govt Contract
 - H107 EXPORT TAXES AND CUSTOM DUTIES
 - H202 Customer Contract Flow down Provisions
 - H213 INDIA INTEGRITY PACT CLAUSE
 - H217 AFFIRMATIVE ACTION & NON DISCRIMINATION OBLIGATIONS
 - M000 REPORTING DISCREPANCIES IN BUYER DRAWINGS
 - SP-3 THE BOEING COMPANY INTERNATIONAL PROVISIONS(SP3)
 - H101 Prior Approval of Foreign Sources
 - H103A Mfg License Agmt, Whs Dist Agmt, Tech Assist Ag
 - H208 Government Regulations Inapplicable To Foreign work
 - H307P Engineering Changes
 - H900 Additional General Provisions
 - M100 Solicitation/Contract Attachments
5. For Tooling refer document D-950-11059-1
 6. COC and Mill Test reports required.
 7. Mill should be D-Fars Compliant.

Annexure - B

Suppliers shall comply to all the requirements specified in Annexure-B, if the PO declares end user as “**BELL FLIGHT**”

BELL FLIGHT:

1. Suppliers are deemed to use customer-designated or approved external providers available in **QPS101** BELL approved source list, as applicable for procurements of products involved in this PO.
2. Supplier Shall comply the requirement mentioned in the Supplier Quality Requirement Manual – **SQRM-001**.
3. Supplier shall establish, implement and maintain FOD prevention as per **NAS412**.
4. Flight safety parts to be designated as Primary parts and shall be procured from approved Mill- **299 -100-837**.
5. Raw Material towards the primary part to be dispatched only upon approvals from respective Buyers.

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Annexure-C:

Suppliers shall comply to all the requirements specified Annexure-C, if the PO declares end user as “**AIRBUS**”

Airbus:

1. Airbus Supplier Requirement – General - A1500.

Annexure - D

Suppliers shall comply to all the requirements specified Annexure-D, if the PO declares end user as “**HAL**”

HAL:

1. Addition to COC, Supplier shall provide an annexure, referring Part No, Part description, Item Sl. No., Part Class, Dynamatic Work Order, Quantity and HAL Work Order.
2. Supplier Shall comply the requirement mentioned in LCA Corporate Quality Assurance Guidelines – **CQAG 9002**.
3. Supplier Shall meet the specific requirements of HAL, as stated in the Annexure **DTL/L4/SCM/FOR/333**.

Annexure - E

Suppliers shall comply to all the requirements specified Annexure-E, if the PO declares end user as “**Spirit**”.

Spirit:

1. Supplier Shall comply the requirement mentioned in Spirit Quality Requirements for Suppliers – AERO-ALL-QU-SC-ALL-125.

Annexure - F

Suppliers shall comply to all the requirements specified Annexure-F, if the PO declares end user as “**TAML**”.

TAML:


1. Supplier Shall comply the requirement mentioned in TAML-Supplier Quality Assurance Manual– TAML 02/07/M01

Annexure - G

Suppliers shall comply to all the requirements specified Annexure-G, if the PO declares end user as “**CENTUM**”.

CENTUM:

1. Supplier Shall comply the requirement mentioned in CENTUM-Supplier Quality Assurance Manual– 02/MOD-MTL/03

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Annexure - H

Suppliers shall comply to all the requirements specified Annexure-H, if the PO declares end user as “**Turbotech**”.

Turbotech :

1. Supplier Shall comply the requirement mentioned in Turbotech – Supplier Quality Assurance Manual– SUP/MAN/01

Reference Documents

| Sl.# | Description | Document Reference # | Website Links for download |
|------|---|-------------------------------|--|
| 1 | DOA Supplier Hand book | DTL/L3/QLY/WI/132 | DOA SQ Hand book |
| 2 | QA requirements for Sub contractors | DOA/L3/SCM/WI/003 | DOA QA Requirement |
| 3 | Boeing QMS Requirements for Suppliers | D6-82479 | Boeing QA Requirement |
| 4 | Airbus Supplier Requirements - General | A1500 Issue: C | Airbus QA Requirement |
| 5 | BELL-Supplier Quality Requirements Manual | SQRM-001 | BELL QA Requirement |
| 6 | Spirit - Quality Requirements for Suppliers | AERO-ALL-QU-SC-ALL-125 | Spirit QA Requirement |
| 7 | HAL–LCA Corporate QA GUIDELINE | CQAG 9002 | HAL QA Requirement |
| 8 | TAML-Supplier QA Manual | TAML 02/07/M01 | TAML QA Requirement |
| 9 | CENTUM-Supplier Quality Manual | 02/MOD-MTL/03 | Centum QA Requirement |
| 10 | Turbotech – Supplier QA Manual | SUP/MAN/01 | Turbotech QA Requirement |