

American Metal Fabrication, Inc.

SUPPLIER QUALITY TERMS & CONDITIONS

ACKNOWLEDGE: Suppliers shall review and acknowledge purchase order requirements and promptly notify AMF of any queries related to the purchase order which could affect product quality or delivery. When sub-tier suppliers are involved, they shall perform a review as applicable to them. Requirements for the approval of products/services, procedures, process and equipment, as well as the release of products and services will be stated on the PO as applicable.

THE SUPPLIER AGREES TO:

- Supply processes/products/services in accordance with specifications, drawings, process requirements, instructions and other relevant technical data.
- Identify and control critical items; including key characteristics.
- Perform tests, inspections and verifications as appropriate to the product.
- Use only approved statistical techniques for product acceptance and related instructions for acceptance by the organization
- Provide test specimens (e.g. production method, number, storage conditions) for design approval, inspection/verification, investigation or auditing if required.

PERSONNEL: Suppliers shall ensure that personnel performing work demonstrate the necessary competence to complete the task(s) and must be qualified and/or certified per applicable specifications. Suppliers shall ensure personnel are made aware of their contribution to product/service conformity, product safety and the importance of ethical behavior.

SUPPLIER COMMUNICATION: Suppliers shall maintain open lines of communication with AMF pertaining to products/services that are being provided.

SUPPLIER PERFORMANCE: Suppliers are subject to periodic performance reviews of product quality and on time deliveries. Corrective action requests may be issued to the supplier if problems are detected during the review.

VERIFICATION/VALIDATION ACTIVITIES AT SUPPLIER PREMISES: Where AMF or the Customer of AMF intends to perform verification/validation activities at the supplier's premises, arrangements and the method of product release shall be listed on the AMF purchase order or other written notice. AMF personal and/or AMF customer representatives shall be afforded the right of entry to the supplier's premises to perform verification/validation activities.

DESIGN & DEVELOPMENT CONTROL: When applicable, the supplier shall maintain design and development controls for the products / processes specified on the AMF purchase order.

QUALITY MANAGEMENT SYSTEM: The Supplier shall have a quality system that conforms to any one of the following, as applicable: a) SAE AS9100 Quality Management Systems – Aerospace – Requirements; b) ISO 9001 Quality Management System Requirements; c) ISO/IEC 17025 General requirements for the competence of testing and calibration laboratories; d) D1-9000/D6-82479 Boeing Quality Management System Requirements for Suppliers, or AMF's Supplier Quality Assurance Survey must be on file at AMF prior to acceptance of product. AMF reserves the right to approve subcontractors based on requirements and resources.

NON-CONFORMING PRODUCTS OR PROCESSES: Any deviation to requirements set forth in this purchase order shall be documented and submitted to AMF for disposition prior to shipment from supplier's facility. In the event that product or material is received for processing in a non-conforming condition (i.e. damaged, paperwork / traceability issues, etc.), supplier shall notify AMF Quality Assurance PRIOR to performing work. Non-conforming product produced from AMF supplied material will be segregated, tagged and returned to AMF along with completed (Subcontractors) internal non-conformance report. Documents cause, corrective action and preventive action is required.

COUNTERFEIT PART PREVENTION: The Supplier shall plan, implement and control processes as appropriate to the product and services provided for the prevention of counterfeit or suspect counterfeit parts and their inclusion in products provided to AMF. The supplier shall take appropriate action to quarantine and report suspect or detected counterfeit parts; including notification to AMF if the use of counterfeit parts is detected after delivery.

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CHANGES TO THE ORGANIZATION: The supplier must promptly notify AMF of changes to their organization, such as processes, products, services, address/location, change in company name or management; including changes to sub-tier suppliers and obtain approval from AMF prior to performing work.

SUB-TIER SUPPLIERS: The Supplier shall ensure the use of customer-designated or approved sub-tier suppliers, including processing sources (e.g. special processes). The Supplier shall flow down to sub-tier suppliers the applicable requirements in the AMF purchasing documents, including key characteristics and customer specific requirements when applicable. Sub-tier suppliers shall have a quality system that conforms to AS9100, ISO 9001 or equivalent quality system standard.

DOCUMENTATION REQUIREMENTS: The Supplier and their sub-tier suppliers shall maintain verifiable objective evidence of all inspections and test performed, results obtained and dispositions of non-conforming articles. These records shall be identified to associated articles, including heat and lot numbers of materials, unit or lot serialization. These records shall be made available to AMF, our customer and/or government representatives upon request and shall be retained in a safe, assessable location for minimum of (15) years after delivery and acceptance of items, unless otherwise specified on the purchase order or per specific customer requirements. Documented information that is beyond the required retention time may be destroyed by suitable means for the types of documentation (i.e. shredding paper copies, deleting electronic copies, etc.).

RIGHT OF ACCESS/ENTRY: AMF reserves the right of access by AMF personnel, its customers and/or regulatory authorities to all applicable areas of their facilities and sub-tier supplier's facilities involved in the order and to all applicable documented information; To perform in-process inspections, audits and system surveillance and to determine & verify the quality of work.

SHIPMENT / DELIVERY: All shipments/deliveries shall include the identification and revision of specifications, drawings, process requirements, inspection/verification and other relevant technical data.

PACKAGING: Packaging shall be accomplished as indicated below:

- All packages shall be individually marked with PO number, Line Item#, part number, quantity, and stock number as noted on purchase order.
- Parts to be packaged in a manner to prevent damage or deterioration.
- Parts may be packaged in groups by part number.
- Identical part numbers manufactured from different material lot numbers shall be maintained separate from other material lot numbers.

CERTIFICATIONS: Supplier shall furnish written certifications of all materials and processes used. Certifications shall list drawing sheet and revision, process specifications and revision, and any applicable test data. Unless otherwise specified, the latest revisions of all specifications are to be utilized. In the event that the supplier does not have the specification or is unsure about the latest revision level, supplier shall contact AMF Quality Assurance.

DEFENSE CONTRACTS: If the Purchase Order identifies a United States government contract and a related United States Department of Defense Rating, then the products and services covered by the purchase order are for national defense use. Supplier is required to follow all provisions of the Defense Priorities and Allocations System (DPAS) regulations; including, but not limited to, the flow down of all applicable requirements to all sub-tier suppliers.

MATERIALS FURNISHED BY AMF: All materials furnished by AMF, including prints, tooling, etc., are to be returned to AMF upon completion of the order unless other arrangements have been made.

SUBSTITUTIONS: Material or hardware substitutions are not allowed without prior written consent from AMF

FINAL ACCEPTANCE: Final acceptance of product pending Receiving Inspection at AMF. Receipt at AMF does not constitute acceptance.