

**SPECIAL NOTES TO SUPPLIERS OF PRODUCTS OR SERVICES THAT  
DIRECTLY IMPACT THE DELIVERABLE PRODUCTS OF A&C METALS-SAWING, INC.**

- a) **RIGHT of ACCESS** - Suppliers and their sub-tier suppliers, are to provide access to their Facilities and Quality Records by A&C Metals-Sawing, Inc., our customers and/or Regulatory Authorities, for the purposes of verifying progress on, and the status of, any work being performed against associated Purchase Orders.
- b) **DRAWINGS & SPECIFICATIONS** - Applicable issues (revision levels) of all Drawings, Standards and/or Specifications provided by A&C Metals-Sawing, Inc to the supplier for the performance of this Purchase Order are to be returned to A&C Metals-Sawing, Inc.at the completion of this order. The supplier is responsible for providing these documents to their sub-tier suppliers as applicable to the performance of this order. Supplier is delegated to maintain all applicable raw material specifications at current revision levels.
- c) **MATERIAL PROVIDED BY A&C METALS-SAWING, INC-** Material traceability requires that all scrap parts and excess material be returned to A&C Metals-Sawing, Inc.at the completion of this order.
- d) **RECORD RETENTION** - Unless otherwise specified, Suppliers and their sub-tier suppliers will retain on file all data relative to the manufacture or processing of this purchase order for a period designated by A&C’s customer requirements after final shipment, and records will be available to A&C Metals-Sawing, Inc personnel, our customers and/or Regulatory Authorities.
- e) **NON-CONFORMING MATERIAL** - Material with a non-conformance that cannot be reworked into a conforming condition must be documented and submitted for review and disposition by A&C Metals-Sawing, Inc and/or its customers' Material Review Board. Suppliers shall not ship non-conforming material without receipt and completion of A&C Metals-Sawing, Inc and/or its customers MRB disposition unless authorized in writing by MRB or Quality. Supplier must inform A&C Metals-Sawing, Inc., within 48 hours of suspect nonconforming product having been shipped.
- f) **SUSPECT MATERIAL** - Suppliers shall immediately notify A&C Metals-Sawing, Inc when it is suspected or known that non-conformances exist or have been delivered. This notification is to be followed by a letter providing all detailed information concerning shipped product, the cause of the non-conformance, and the appropriate corrective action taken to preclude recurrence.
- g) **CORRECTIVE ACTION REQUEST** - Responses to requests for corrective action must be received within the time noted on the request. Failure to provide corrective action responses in a timely manner will result in a reduction of supplier approval status. Continued failure will result in the removal as an approved supplier.
- h) **MATERIAL HEAT LOT CONTROL-** All same sized materials or components used to fulfill the requirements of this Purchase Order must maintain heat number traceability and therefore must not be combined. Co-mingling of same size material of different heat lots is NOT allowed.
- i) **FOREIGN OBJECT DAMAGE (FOD) PREVENTION** – Suppliers shall establish and maintain an effective Foreign Object Damage (FOD) Prevention Program (ref: MIL-STD-980 or similar) or deburring process of product. The program shall be proportional to the sensitivity of the design and application of the purchased product as well as the FOD/or remnants of material or product generated during the manufacturing process.
- j) **COMPETENCE OF EQUIPMENT AND PERSONNEL-** Supplier will verify that they have the equipment, tooling, personnel, capacity, and capability to fulfill the requirements of purchased orders assigned to supplier. If supplier cannot verify the requirements of equipment, tooling, personnel, capacity, and capability, supplier must notify A&C Metals-Sawing, Inc within 24 hours after receipt of purchase order.
- k) **FLOWDOWN REQUIREMENTS-** Suppliers are required to flow down to sub-tier suppliers all applicable requirements in the purchasing documents, including key characteristics where required
- l) **SUPPLIER EVALUATION-** Suppliers will be evaluated using a scorecard. Scorecards will be updated annually. Suppliers will be evaluated based on quality and on time delivery using a scale of 1-5, 5 being low risk and 1 being the highest risk.
- m) **SUPPLIER RE-EVALUATION-** In the event a supplier's products or services become concerning, the supplier will be re-evaluated. This re-evaluation will be at the discretion of A&C management and Quality department. Re-evaluation will be conducted upon suppliers QMS certification expiration.
- n) **SUPPLIER’S APPROVED SUPPLIERS LIST-** Suppliers to A&C Metals-Sawing, Inc must maintain an approved suppliers list and must use an evaluation system to rate suppliers, using but not exclusive to, Corrective Actions, Returned Merchandise Authorizations and Non-conformances. Suppliers to A&C Metals-Sawing, Inc must maintain a counterfeit parts mitigation program per SAE AS 6174. Plan must include provision to inform A&C Metals-Sawing, Inc of any suspect material/parts already in supply chain. To mitigate counterfeit parts entering the supply chain, the seller must fill this purchase

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order using only parts from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM) or authorized distributors. Independent distributors, brokers, or other secondary sources shall NOT be used for items on this purchase order. If counterfeit parts are furnished under this purchase order, such items shall be impounded. The seller shall promptly replace such items with items acceptable to A&C Metals-Sawing, Inc. and the seller shall be liable for all costs relating to impoundment, removal, replacement and/or any other cost relating to said parts.

**o) CHANGES TO PROCESSES-** Suppliers must notify A&C Metals-Sawing, Inc. of changes to processes, products, or services, including changes to their external providers or location of manufacturer, and obtain A&C Metals-Sawing, Inc. approval.

**p) CONFLICT MINERALS POLICY-** All suppliers to A&C Metals-Sawing, Inc shall have a Conflict Minerals Policy that adheres to the U.S. Securities and Exchange Commission (SEC) rules of reporting and disclosure requirements related to conflict minerals. A&C Metals-Sawing, Inc expects its suppliers to comply with all related laws, rules and regulations related to the responsible sourcing of material and exclusion of any “conflict minerals”. A list of compliant smelters and refiners is posted at [www.conflictreesourcing.org](http://www.conflictreesourcing.org)

**q) CONTROL OF WORK TRANSFER-** All suppliers must inform A&C Metals-Sawing, Inc. before any work transfers occur, including supplier’s own manufacturing location, change of supplier of material supplied to A&C Metals-Sawing, Inc., change in Quality system, Ownership changes, change in existing supplier’s location. Changes shall not interrupt the flow of products or special process from any source. A&C Metals-Sawing, Inc. must be notified of the first delivery of work transfer product after assessment and approval.

**r) SUPPLIERS CONTRIBUTION TO PRODUCT CONFORMITY-** Supplier shall perform task as defined within A&C Metals-Sawing, Inc. purchase orders and special instructions as required. Supplier is responsible for maintaining the agreed to time schedule and requirements set forth in the purchase order.

**s) PRODUCT SAFETY-** Supplier will process and handle product as defined in technical and purchase order requirements.

**t) ETHICAL BEHAVIOR-** Supplier is required to conduct business in proper ethical behavior and accordingly to best business practices.

**u) PREVENTION OF COUNTERFEIT PARTS-** Supplier shall plan, implement, and control processes, appropriate to A&C Metals-Sawing, Inc. **Policy letter #14-02** and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product deliver to A&C Metals-Sawing, Inc.

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