



American Ring Terms and Conditions of Purchase

This document establishes the general procurement terms and conditions issued to Vendor / Supplier (Seller) as referenced on all purchase orders issued by American Ring (Buyer) as well as Seller specific quality flow down clauses issued by American Ring and/or its Customer(s).

Reference to these flow-down provisions, as well as all other provisions on the face of the purchase order (PO), incorporates all applicable clauses of this document as set forth in full text, except to the extent expressly altered in the American Ring purchase order.

No date of issue or revision is listed for referenced Government clauses or standards (FAR, DFARS, MS, NAS, AN, etc.). It is understood that from time to time these clauses are changed/updated/deleted. Unless specifically stated otherwise, the clause(s) incorporated into the contract are those in effect as of the date of order, or issuance of the American Ring purchase contract, whichever is earlier.

Purchase Order Receipt and Verification

The Seller shall verify all purchase orders issued by American Ring upon receipt. Any discrepancies in price, quantity, specifications, quality requirements, packaging, or delivery requirements shall be communicated to and resolved with American Ring purchasing before acting on the purchase order. Upon acceptance and during the performance of the purchase order, all Seller sub-tier Sellers shall have the flow down of all the American Ring issued purchase order requirements to include key characteristics as identified on the purchase order.

Product Changes

Any changes in product, from previous purchases, shall require advanced notification and approval by American Ring.

Process Changes

Any changes in process, from previous purchases, shall require advanced notification and approval by American Ring.

Sub-Tier Supplier

When the need to outsource work occurs (using sub-tier suppliers, American Ring must be notified in advance, including changes in sub-tier suppliers and changes in location of manufacture prior to making the change. This requirement applies to American Ring and the Sellers contracted by American Ring to perform work and services or provide products. American Ring and aerospace customer requirements must flow down to any Seller's sub-tier suppliers, including any key characteristics. Service work (plating, coating, heat treatment, etc.) must be to the applicable issue of customer specifications.



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Certificate of Conformance

All orders or lots require a Certificate of Conformance to show that verification has occurred, and the lot meets all requirements. Identification and traceability for each lot must be maintained and linked to the Certificate of Conformance. Records must be retained for at least **ten (10)** years.

Nonconforming Product

When nonconforming product occurs, American Ring is to be immediately notified for appropriate controls and disposition. Root cause analysis and timely, effective corrective actions **and preventative actions** are required when American Ring determines the Seller is responsible for the root cause of a problem.

Right of Access

American Ring as well as its customers, government and regulatory authorities have the right of access to all facilities involved in processing of American Ring orders and all applicable documents and records. American Ring as well as its customer's representative and government authorities who intend to perform verification activities at Seller's premises when warranted and to assure product and services conform to specified requirements will provide advance notification. This requirement must flow down to all levels down the supply chain.

Quality

Verification by American Ring or its customer shall not be used as evidence of effective control of quality and shall not absolve the Seller of the responsibility to provide acceptable product or service, nor shall it preclude subsequent rejection by American Ring or its customer.

Counterfeit Parts

American Ring will not utilize counterfeit parts and must do everything possible with its Sellers and sub-tier Sellers to prevent the use of counterfeit parts.

Foreign Object Damage / Debris (FOD) Prevention

The Seller is required to establish and maintain a Foreign Object Damage (FOD) / Foreign Object Debris (FOD) Prevention Program in compliance with AS/EN/SJAC 9146 to control and eliminate FOD and/or FOD, assuring work is accomplished in a manner **preventing foreign objects or material from entering and remaining in deliverable products.**

Unauthorized Repairs

Sellers shall not repair products damaged or found to be faulty during manufacturing by any method including, but not limited to, welding, brazing, plugging, soldering, grinding, bending, nor repair by any method, unless authorized by American Ring in writing as an approved Deviation Request.



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Notification of Change

The Seller shall notify American Ring, in writing, of all process, design, fabrication, testing, facilities and material changes affecting the form, fit, function, reliability or interchangeability of end item specification or drawing requirements during the performance of this contract. The Seller shall afford American Ring an opportunity to examine such changes for compliance to the contractual Quality Assurance Requirements including any necessary approvals.

Seller Performance

American Ring Purchase Orders must be acknowledged within 96 hours of receipt. Purchase Orders are expected to be received within +/- 3 business days of acknowledged delivery date, complete, with zero nonconformances. Those Sellers with the greatest impact on American Ring's overall business, as determined by top management, will receive quarterly scorecards. The Seller scorecards will identify the Seller's performance over the previous three months and assess their risk level to American Ring's business. Those Sellers that do not receive a quarterly scorecard will be evaluated on a case by case basis.

Rejection of Product using Sample Inspection

American Ring reserves the right to use sampling inspection as a means of product acceptance. The sampling plan shall be justified on the basis of recognized statistical principles and appropriate for use (i.e., matching the sampling plan to the criticality of the product and to the process capability). American Ring reserves the right to use ASQC Z1.4 or MILSTD-105 (c) = 0 sampling plan for the inspection and acceptance or rejection of goods or services supplied under a contract issued by American Ring.

Employee Awareness

AS9100 requires American Ring to ensure external providers' personnel are aware of the following:

- Their contribution to product or service conformity, i.e. the role the providers' personnel have in manufacturing quality products.
- Their contribution to product safety, i.e. The role the providers' personnel have in usage and safety of product to include: FOD, shelf-life controls, handling conditions and storage.
- The importance of ethical behavior, i.e. The role the providers' personnel have in providing accurate and forthright information regarding the status of product, plus reporting and not passing on defects or nonconformances (e.g., line stoppage as appropriate, recalling delivered non-conforming product, ...), and respecting the laws, regulations, internal rules, regarding e.g.: conflict of interests, export compliance regulations, intellectual property agreements, acceptance or proposals of gifts, invitations or favors with customers and suppliers.