

## AS-9100D Purchasing Standard Terms and Conditions

**General:** As a valued Supplier / Vendor to **Sanks Machining Inc. (SMI)**, it is understood that your organization agrees to meet the following stipulation **AS-9100D** requirements whenever a SMI Purchase Order is accepted. These requirements are, therefore, to be considered as terms and conditions to all purchases.

1. SMI reserves the right of final approval of product, procedures, processes and equipment upon receipt.
2. All special processes required by the attached SMI PO must be performed by qualified personnel.
3. Suppliers providing special processing must maintain a system for validating processes.
4. The Supplier shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection / verification instructions and other relevant technical data.
5. SMI reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics.
6. Provide test specimens for inspection / verification, investigation, or auditing.
7. **The Supply is required to:**
  - a. Notify SMI of nonconforming product.
  - b. Obtain SMI approval for nonconforming product disposition.
  - c. Notify SMI of changes in product and / or process, changes of suppliers, and changes of manufacturing facility locations.
  - d. Flow down to the supply chain the applicable requirements including customer requirements.
8. The Supplier is required to retain all Records associated with the SMI Purchase Order for seven (7) years or as required by contract.
9. Right of access by SMI, our customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
10. Certification of Materials and / or Process performed must accompany materials and/or parts received.
11. **Counterfeit Product:**
  - a. All product provided to SMI Buyer shall consist of new materials and authentic products only. SMI Buyer must be contacted in the event a Supplier becomes aware of Counterfeit Product.
  - b. Product will be considered Counterfeit if SMI Purchase Order indicates the Manufacturer's name and required Manufacturer's product is not supplied.
  - c. Counterfeit or suspect counterfeit product shall be controlled at SMI to prevent reentry into the supply chain and therefore cannot be returned to the Supplier.
  - d. In order to prevent and mitigate for Counterfeit product, all suppliers must have a Counterfeit protection plan in place.
12. **FOD (Foreign Object Debris):**
  - a. SMI Suppliers must ensure processes, raw materials, and products are free of Foreign Object Debris (FOD) – Defined as any object, particle, substance, debris, or agent alien to any item specified on SMI Purchase Orders.
13. **Standards of Business Ethics and Conduct:**
  - a. This clause shall be flowed to subordinate suppliers at all tiers.
  - b. Buyer will conduct its business fairly, impartially, and in an ethical and proper manner.
  - c. Seller shall conduct its business fairly, impartially, and in an ethical and proper manner.
  - d. Supplier shall implement an awareness program to ensure employees understand their contribution to Product / Service conformity, product safety, and the importance of ethical behavior.
14. **Supplier Performance Monitoring:**
  - a. The quality objective for supplier performance is no more than 2 incidents of ten (10) days late per shipment per supplier in an audit year. Failure to meet this objective will require the supplier to submit a corrective action.

Thank you for your cooperation – Contact us with any questions