

Fleet Machine Co.	Procedure QMS-010	Revision: E
Title: Terms and Conditions	Date: 11/22/17	Page 1 of 2

Terms and Conditions - AS9100

Our External suppliers should understand they have a critical impact on the ability of Fleet Machine Co. to meet its customers requirement. Accordingly, the following Terms and Conditions (where applicable) must be adhered to:

1. Our organization reserves the right of final approval of product procedures, processes and equipment.
2. All special processes required by this purchase order must be performed by qualified personnel.
3. Our organization reserves the right to review and approve the External Provider's Quality Management System.
Standard QMS requirements include:
 - 3.1 External Providers providing special processing must maintain a system for validating processes as required by this purchase order and/or by any applicable industry or statutory standard. Validation test reports shall be available upon request.
 - 3.2 Customer directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.
 - 3.3 External Suppliers initially approved for use via Certification (ISO, AS9100, ISO 17025, AS9120 etc.) must notify our organization of any changes to that certification.
4. The External Supplier shall maintain proper identification and revision status specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
5. Our organization 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. Our organization reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation or auditing.
7. The External Provider is required to:
 - 7.1 Notify our organization of nonconforming product immediately upon discovery.
 - 7.2 Obtain our organizational approval for nonconforming product disposition.
 - 7.3 Notify our organization of changes in product and/or process, changes of suppliers and changes of manufacturing facility locations.
 - 7.4 Flow down to the supplier chain the applicable requirements including customer requirements.

8. The External Provider is required to retain all records associated with the purchase order as required by contract for at least 10 Years unless noted otherwise.
9. The External Provider is required to provide the appropriate certification for all services or products provided to Fleet Machine Co covering the requirements stated in the purchase order specifications.
10. Our organization reserves the right of access by our representatives, our customers, our customers and any 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. Included is the right to perform a source inspection and/or quality audit.
11. All External Providers providing calibration services must be certified to ISO 17025 (or equivalent). All calibration certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).
12. Specialty Metals Clause:
The purpose of this clause is to advise Fleet suppliers of metal parts that it is necessary to comply with the specialty metals requirements associated with DoD contracts. The DFARS 252.225 clauses 7008 and 7009, regarding Acquisition of Specialty metals, implement a portion of the Berry Amendment, a federal law (10 USC 2533a). It requires certain specialty metals (such as Steel, Titanium, Stainless Steel or Zirconium) incorporated in articles delivered under DoD contracts be melted in the United States or a qualifying country (or incorporated in an article from a qualifying country). Qualifying countries are listed in DFARS 225.872-1. The DFARS can be found on the website:
<http://www.acq.osd.mil/dpap/dars/dfars/html/current/252225.htm>
Suppliers shall note on C of C that product complies with code.
13. Approved source countries:
Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Israel, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland
14. The External Provider is expected to conform to ethical business standards
15. External Providers are expected to consider product safety throughout the product lifecycle.
16. External Providers are to apply appropriate controls to their direct and sub-tier external providers to ensure that requirements are met. This includes the avoidance of introducing counterfeit materials, parts or testing to the services and/or products provided.
17. Communication regarding orders should be documented by email, fax or mail and directed to the General Manager or the Operations Manager.
18. Fleet Machine Co. will employ On Time Delivery and Quality Metrics as measures for evaluating the performance of its external suppliers.
19. External Providers are expected to consider product safety throughout the product lifecycle.
20. External Providers are to apply appropriate controls to their direct and sub-tier external providers to ensure that requirements are met. This includes the avoidance of introducing counterfeit materials, parts or testing to the services and/or products provided.