



COAST/ACM

EXTERNAL PROVIDER TERMS & CONDITIONS AGREEMENT

General: As an External Provider to Coast/ACM, it is understood that when accepting our purchase orders, your organization agrees to meet the following stipulations / AS9100 requirements. These requirements are, therefore, to be considered as terms and conditions to all purchases:

1. Where required on the Coast/ACM's Purchase Orders, its External Providers must use Coast/ACM's customer-approved special process sources.
2. Coast/ACM Purchase Orders may include reference to applicable catalog part numbers and material requirements and may include reference to applicable drawings, process requirements, work instructions, inspection instructions, relevant technical data and quality system standards including current revision status where applicable.
3. Coast/ACM is to be contacted (by the External Provider) in the event of nonconforming product/material. Arrangements for the approval of the nonconforming product/material must be as directed by Coast/ACM Purchasing or an authorized manager.
4. Furthermore, the External Provider is required to notify Coast/ACM of any changes to a product, process, suppliers, and manufacturing facility location and to obtain approval from Coast/ACM Purchasing or an authorized manager when applicable.
5. Coast/ACM, their customers, and regulatory authorities retain the right of access to all External Provider facilities, at any level of the supply chain, involved in the aerospace and to all documented information.
6. The AS9100 standard requires that all applicable customer/regulatory/AS9100 requirements for the External Providers to flow-down to sub-tier External Providers (includes requirements in the purchasing documents and key characteristics where required). However, Coast/ACM does not allow its External Providers to subcontract any product or process to a sub-tier External Provider without Coast/ACM expressed written consent.
7. Coast/ACM performs inspection activities to ensure that purchased product meets purchase requirements. They may include:
 - a. Receiving inspections (of External Provider products / services / documented information) may be / are performed by designated employees. Coast/ACM verifies the authenticity of the appropriate certificate of conformity, material certificates, etc. and other accompanying documentation by review and comparison (as is appropriate) to the drawing and/or industry specifications or by



other means. When necessary, Coast/ACM may inspect or perform an audit at the External Provider's facility.

b. Furthermore, products are inspected to ensure they meet requirements (dimensions, etc.) and the results are recorded (as appropriate). All special processes (anodizing, heat treat, coating, etc.) where the compliance cannot be verified by inspections will require a Certificate of Conformity.

8. Coast/ACM will communicate with External Providers for requirements on the approval of:

- a. products and services
- b. methods, processes, equipment
- c. competence and qualification of personnel

Coast/ACM Quality personnel are approved to carry out such inspections.

9. When Coast/ACM intends to perform verification at the External Provider's premises; Coast/ACM will first state the intended verification arrangements and the method of product release. This information will be communicated on the Coast/ACM Purchase Order or via another acceptable purchasing arrangement.

10. Where specified in Coast/ACM's Customer Purchase Order, Coast/ACM's customer or customer's representative will be afforded the right to verify at Coast/ACM that subcontracted product conforms to specified requirements (Source Inspection). Verification by the customer is not used by Coast/ACM as evidence of effective control of quality by the supplier and shall not absolve Coast/ACM or its supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

11. To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), Coast/ACM will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation from its suppliers as is appropriate. These requirements may be specified on Coast/ACM Purchase Orders or may otherwise be communicated to the External Provider.

12. Documented information established to provide evidence of conformity to requirements and of the effective operation of the quality management system shall be controlled. External providers shall have processes to retain documented information, including retention periods and disposition requirements. Applicable documented information is available for review by Coast/ACM, our customers and regulatory authorities for a minimum of 15 years.

13. Coast/ACM expects 100% on time delivery. If the agreed upon delivery cannot be met, the appropriate Coast/ACM Purchasing agent must be notified in advance. If



Coast/ACM supplier evaluation identifies an External Provider with an on time delivery rate less than Coast/ACM's expected and established on-time delivery rate, a corrective action may be issued.

14. Coast/ACM requires that products provided be correct and free of defects per the supplied Purchase Order. Corrective actions, due to non-conforming material, will be requested on an order by order basis.

15. Coast/ACM may require on its Purchase Order for the External Provider to provide a sample piece for design approval, inspection/verification, investigation or auditing.

16. Coast/ACM may also require specific actions where timely and/or effective corrective actions to an External Provider issue(s) are not achieved. These actions may include but are not limited to any or all of the following: withholding payment until the issue is resolved, removal of the supplier from Coast/ACM Approved Supplier List, and/or legal action.

17. Coast/ACM's External Providers will maintain a quality management system sufficient to provide Coast/ACM with defect free products. External Providers must have process(es) in place to make employees aware of:

- a. their contribution to product or service conformity
- b. their contribution to product safety
- c. the importance of ethical behavior

18. Coast/ACM may specify on its Purchase Order or other acceptable media, General Quality Assurance Provisions listed in Form 74-6 (requirements for test, examination, inspection, verification, use of statistical techniques, for product acceptance and related instructions for acceptance and as applicable, critical items including key characteristics).

19. It is Coast/ACM's expectation that our External Providers conduct their business in a responsible and ethical manner and that they comply with all applicable laws, including employment and human rights laws.