

# Erdman Machine Co.

8529 N. Silver Creek Rd.

Whitehall, MI 49461

## STANDARD TERMS AND CONDITIONS

- I. Erdman Machine Co. reserves the right of final approval of product, procedures, processes, and equipment. (AS9100 8.4.3 Section B)
- II. All special processes required by this purchase order must be performed by qualified personnel. (AS9100 8.4.3 Section C)
- III. Erdman Machine Co. reserves the right to review and approve suppliers' Quality Management system (AS9100 8.4.3 Section K). Standard QMS requirements include:
  - a. Suppliers providing a special process must maintain a system for validating processes similar to that of NADCAP program, or other systems as required by this purchase order.
  - b. Customer directed sources must operate in accordance with the approved specifications and standards as dictated and controlled by the customer in question.
  - c. Suppliers initially approved for use via Certification (ISO, AS9100, ISO 17025, AS9120, Etc.) Must notify Erdman Machine Co. of any changes to that certification
- IV. Suppliers shall provide identification and revision levels of specifications, drawings, process requirements, inspection/verification instructions and other technical data where applicable. (AS9100 8.4.3 Section A)
- V. Erdman Machine Co. reserves the right to designate requirements for test specimens for design approval, inspection/ verification, investigation auditing. (AS9100 8.4.3 Section K)
- VI. Suppliers are required to (AS9100 8.4.3 Section K & M):
  - a. Notify Erdman Machine Co. of nonconforming product immediately upon discovery
  - b. Obtain Erdman Machine Co. approval for nonconforming product disposition.
  - c. Notify Erdman Machine Co. on nonconforming product and/or process, changes of suppliers or changes to manufacturing facility locations and obtain Erdman Machine Co. approval.
  - d. Flow Down to the supply chain the applicable requirements including customer requirements.
  - e. Make persons aware of their contribution to product conformity.
- VII. Erdman Machine Co., their customers, and its regulatory authority reserve the right to require an on-site source inspection of products supplied for work, as well as the right to conduct periodic surveys and/or audits, for any reason, of the seller's manufacturing and/or quality systems for conformance to Purchase Order requirements. All records pertaining to purchase orders shall be made available to Erdman Machine Co. and its customers. Suppliers must maintain records of processing for a minimum of 10 years unless otherwise specified by prime customer requirements. Upon completion of the required 10 year retention period, documents may be disposed of. While disposing of documents, a method must be used to ensure that the information and technical data will be rendered unusable. (AS9100 8.4.3 Section K & L)
- VIII. Erdman Machine Co. reserves the right of access by our representatives, 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. (AS9100 8.4.3 Section L)
- IX. All Erdman Machine Co. product that is submitted for subcontract work shall be preserved, packaged, stored, handled and shipped in such a manner as to maintain the physical integrity of the product as received from Erdman Machine Co., including lot traceability.
- X. Supplier shall maintain an effective Prevention of Counterfeit Parts program. This will include training of the appropriate persons in the awareness and prevention of counterfeit parts. If counterfeit parts, or potential counterfeit parts, are determined to have been issued, written notice to Erdman Machine Co.'s Quality Manger is required within 24 hours of discovery. (AS9100 8.4.3 Section K)
- XI. Suppliers shall ensure the safety of product is controlled to allow the product to perform its intended purpose without causing risk of harm to persons or damage to property. Suppliers are required to make persons aware of their contribution to product safety. (AS9100 8.4.3 Section M)
- XII. When certifications are required, conformance to all applicable specification(s) at current and correct revision levels must be stated on the certification documents. The revision of specifications current at the time of order is to be used unless a specific revision is stated on the order or Product Engineering Instruction.

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- XIII. When specific Approved Supplier Codes are required by Erdman Machine Co. customers for special process (i.e. heat treat, NDT, alloy refining, etc.) as stated on the Purchase Order, certification shall include reference to such Approved Supplier Codes
- XIV. Suppliers shall maintain an ethics program with commitment from top management. Suppliers are required to train persons on the importance of ethical behavior. (AS9100 8.4.3 Section M)
- XV. Suppliers will employ practices to keep internal passages clear to prevent foreign object damage.