



MMW PURCHASE ORDER TERMS AND CONDITIONS

- **Introduction**

The purchase order terms and conditions has been created to assist our suppliers in understanding the purchasing expectations and quality requirements for products and/or services supplied to Marshan Metal Works (MMW). This document will communicate the operating principles, general expectations, and procedures of MMW.

On-Time Delivery/ Transportation Costs

MMW requires all suppliers to meet their on-time delivery requirements.

Unless otherwise instructed, a supplier shall ship, as directed by MMW. Any excess transportation costs, due to the supplier not meeting the shipping instruction requirements, will be deducted from the purchase price.

- **Supplier Evaluation**

A first-time order (new) supplier is entered into the ASL as conditional and is changed to Approved only if the received order is compliant to MMW's purchase order requirements.

Existing suppliers to MMW may be evaluated as and when required. Supplier performance shall be measured by the Purchasing Manager on their ability to uphold the delivery dates. It will also be measured on the supplier's ability to meet or exceed the quality expectation.

In case MMW specifies (or MMW's Customer specifies) use of customer-designated or approved external providers, including process sources (e.g. special processes) supplier shall use specified suppliers.

MMW is not engaged in design and development of any products at this time, however if design and development controls need to be applied by the supplier instructions for the same may be flown down to the supplier.

- **Supplier Corrective Action Request**

All materials, products/services covered by this purchase order are subject to inspection by MMW. Any deviation from this purchase order will be rejected and quarantined at the expense of the supplier, pending disposition. The supplier maybe required to provide corrective action, root cause analysis to prevent future occurrences.

The supplier must notify MMW immediately if there are any nonconforming products or services. The supplier will obtain approval from MMW regarding disposition.

- **Right of Entry**

MMW and its customers or any applicable regulatory authority shall have the right to enter the supplier's facility to perform inspections or surveillance audits to verify the quality of work, records and to ensure compliance to the contract. When applicable, the access requirement shall be flowed-down by the supplier to the supplier's sub-tier sources.

It is the responsibility of the supplier to notify MMW of any changes to processes, products, or services, including changes of their external providers or location of manufacture.

- **Traceability**

Each article delivered under a purchase order must be identified with purchase order number, part number or other identification. All suppliers to MMW must have a lot identification system that distinguishes one lot from another when shipping finished product. Each lot of material should be clearly identified on the product (where applicable) and/or on the product packaging. All material lots should be traceable to raw or component material lots as identified by the supplier's supplier.



- **Preservation/Packaging**

The supplier must preserve the product during internal processing and delivery to MMW, maintaining conformity requirements. The supplier must provide packaging that protects the component from mechanical and environmental damage during transport and storage including effects of temperature, vibration and shock. This also includes:

- a. cleaning,
- b. removal of foreign objects,
- c. special handling for sensitive products,
- d. appropriate labeling (WHIMIS),
- e. shelf life control (90% remaining prior to shipment)
- f. stock rotation and other special handling.

- **Record Retention**

Suppliers and sub-tier suppliers shall establish and maintain records to provide evidence of conformity to requirements. Records shall remain legible, readily identifiable, and retrievable. Product history records shall be maintained for a minimum of 10 years or as required by the purchase order.

- **Certificate of Compliance/FAI**

Each shipment stating that the product/service meets all requirements of this purchase order will be accompanied by a certificate of compliance issued by an official quality personnel (stamped and dated).

First Article Inspection reports maybe required using AS9102 forms.

- **Quality System**

Suppliers of MMW are requested to be compliant to the ISO 9001:2015 (AS9100D preferable) international quality standard (Quality Management System).

- **Calibration**

The supplier must maintain and calibrate precision measuring and test equipment with a method that is traceable to a recognized standard.

- **Counterfeit Parts**

The supplier is responsible for developing and implementing an anti-counterfeit education and training program for their employees responsible for purchasing and receiving. It is the supplier's responsibility to prevent counterfeit or suspect counterfeit part use and the inclusion in products delivered to MMW.

- **Foreign Object Debris (FOD)**

Suppliers are required to establish and maintain a FOD prevention program to avoid the introduction of FOD and contamination of any purchased items.

- **Ethical Behavior**

The supplier personnel must be made aware of their contribution to product safety, product or service conformity, and understand the importance of ethical behavior.