

## Supplemental Supplier Purchase Order Requirements

### 1 Order of Precedence:

- 1.1 The Purchase Order
- 1.2 Engineering Drawings
- 1.3 Applicable Federal/State/Local Regulations
- 1.4 This document

- In the event of any conflict regarding document precedence, Rhinestahl AMG Purchasing must be notified immediately for interpretation/resolution.

- 2 **Control of Drawings & Specifications:** The Supplier shall ensure that drawings and specifications are the relevant revision status specified on the Purchase Order. The Supplier shall comply with any special requirements requested by Rhinestahl AMG regarding the control of drawings and specifications.
- 3 **Quality/Inspection System:** Supplier shall maintain a quality/inspection system that will ensure all goods and services conform to contract requirements whether manufactured or processed by Supplier or procured from Sub-Tier Suppliers.
- 4 **Product Acceptance/Sampling Method:** 100% inspection required unless otherwise defined in the provided Purchase Order and applicable specifications.
- 5 **Reporting Discrepancies:** Discrepancies, omissions, and the need for clarifications or interpretations of any nature encountered by Supplier in respect to furnished drawings or engineering data shall be brought to the attention of Rhinestahl AMG Purchasing for resolution prior to processing.
- 6 **Calibration System:** All Inspection Measuring & Test Equipment used by the Supplier during in-process and final inspection to verify compliance shall be calibrated and traceable to NIST.
- 7 **Special Processes.** Supplier shall provide certifications for all special processes and nondestructive test results performed with each shipment. The certificate shall identify the processor, process used, controlling specification & revision, and the results of test or measurement performed. Supplier used shall be a Rhinestahl AMG and/or Customer approved source for said Processes. These include operations subject to process controls such as: welding, plating, heat treating, NDT, painting, and sealing. The Supplier shall be approved as per above to perform specific required Special Processes or use Special Process vendors acceptable to Rhinestahl AMG and its customer(s).
- 8 **Material Substitution:** Material substitutions are not permitted without Rhinestahl AMG written consent.
- 9 **Changes to Process, Product, and Location:** Supplier shall notify Rhinestahl AMG of intended or actual changes that may affect the quality of delivered goods and services. This includes, but is not limited to, changes to the QMS and/or Senior Management, manufacturing equipment, manufacturing process, or facility location. If this is designated as a "locked" process by Rhinestahl AMG, no changes are to be made the prior consent of Rhinestahl AMG.

- 10 Risk Assessment:** Periodically, the Supplier must evaluate risk factors that could potentially impact the quality of goods and services provided. Such risks include, but are not limited to machine obsolescence, personnel changes, man-made or natural disasters, or any other changes identified by the Supplier that could be detrimental to product quality or delivery.
- 11 Workmanship Quality:** Manufactured product shall be free from burrs, sharp edges, nicks, dings, scratches, and oxidation.
- 12 Limited Shelf-Life Items:** Materials with limited shelf life shall indicate the date of manufacture, lot number and applicable specification on the container. These life limited items cannot be applied to Rhinestahl AMG purchased product if less than ½ of the shelf life is remaining.
- 13 Certificate of Conformance:** Supplier's acceptance of Rhinestahl AMG's purchase order certifies that the materials and processes supplied under the purchase order shall be or have been controlled and inspected in accordance with Rhinestahl AMG's purchase order and they meet the specified order requirements, referenced specifications and drawings. Supplier must provide a Certificate of Conformance for all orders/lots, verifying that all provided products meet those requirements. All products/lots must be clearly identified, labeled and must be traceable to the Certificate of Conformance.
- 14 Nonconforming Products and Materials:** Supplier shall notify Rhinestahl AMG immediately if nonconforming material is produced and is not able to be reworked to 100% Purchase Order and Engineering drawing compliance. Unless approved by Rhinestahl AMG in advance, repairs are not permitted. If any nonconforming material is detected after receipt, the Supplier will be given the right to remedy unless the Customer's need date is less than the Supplier's lead time. In this instance, it is the responsibility of Rhinestahl AMG to provide evidence of nonconformity to the Supplier. Under no circumstance should nonconforming material be shipped to Rhinestahl AMG without prior approval. If this approval is granted, the nonconforming product must be conspicuously identified and kept segregated from any conforming material.
- 15 Right of Access:** Rhinestahl AMG, its customers, and regulatory authorities shall be granted the right of access to all Supplier and sub-tier Supplier facilities. In this event, the aforementioned only have the right to review records, material, etc. regarding the contract(s) of interest.
- 16 Record Retention:** Supplier shall maintain records of inspections, tests, and process controls called for by the contract or Purchase Order. Unless specified elsewhere in the Purchase Order, these documents shall remain on file, stored and protected in such a manner that they remain legible, readily identifiable, and readily available (within 48 hours) to Rhinestahl AMG. This retention period for these records is for a minimum of seven years.
- 17 Letter of Disclosure:** When a nonconformance is determined to exist or suspected to exist on goods and/or services provided to Rhinestahl AMG, Supplier shall provide a written Post Delivery Notification Letter or Letter of Disclosure.
- 18 Counterfeit Parts:** The Supplier shall certify that only new and authentic materials are used in products or goods delivered to Rhinestahl AMG and that the products/goods delivered contain no Counterfeit Parts.
- 19 Foreign Object Debris/Damage:** Supplier is required to establish and maintain a Foreign Object Debris/Damage (FOD) prevention program that employs appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, during operations and normal daily tasks.

- 20 Supplier Corrective Action:** Supplier shall, on request, provide statements of corrective action on nonconformities or failures of Supplier's goods or services.
- 21 Packaging and Handling:** As a minimum, the Supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration and physical damage during shipment. Electrostatic sensitive product shall be pack in an ESD protective bag. In addition, when materials delivered are lot-controlled and multiple material lots are shipped, each lot shall be separately packaged and identified. Metal-to-metal contact is not permitted on finished machined surfaces. A surface is considered finished machined when the stock envelope on the surface is 0.0625" or less.
- 22 Flow down to Sub-tier Suppliers:** Suppliers shall flow-down to Sub-Tier Suppliers the applicable requirements as required by the purchase order either specifically or by reference.
- 23 Competence:** Suppliers shall keep up to date records on the validation of the competence of employees producing goods/services for Rhinestahl AMG.
- 24 Ethics:** Suppliers shall ensure their employees are aware of their contribution to product or service conformity, product safety and the importance of ethical behavior.
- 25 On-Time Delivery:** Suppliers shall acknowledge and adhere to purchase order due date at the time of receipt and review. Any goods/services completed and returned to Rhinestahl AMG after the agreed upon delivery date will be counted late. Rhinestahl will conduct a continuous evaluation of key (~20) suppliers and organizations performance. The performance will be reported on a supplier scorecard and tracked against annual goals. Based off performance the suppliers shall be rated as follows: Extreme Risk, High Risk, Moderate Risk, Medium Risk and Low Risk. A mitigation plan shall be developed, which can include an onsite audit, for those key suppliers rating as Extreme risk. See assessment matrix below:

	Non Conformances				
Quality	Score 1 (0% - 2%)	Score 2 (2.1% - 4%)	Score 3 (4.1% - 6%)	Score 4 (6.1% - 9%)	Score 5 (>9.1%)
Delivery					
Score 1 (70-80%)	Moderate Risk	High Risk	High Risk	Extreme Risk	Extreme Risk
Score 2 (81%-84%)	Low Risk	Medium Risk	Moderate Risk	High Risk	Extreme Risk
Score 3 (85%-89%)	Low Risk	Medium Risk	Moderate Risk	High Risk	High Risk
Score 4 (90%-94%)	Low Risk	Medium Risk	Medium Risk	Moderate Risk	High Risk
Score 5 (>95%)	Low Risk	Low Risk	Medium Risk	Moderate Risk	Moderate Risk