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## **SUPPLIER GENERAL REQUIREMENTS**

This defines Nation Coating Systems, Inc. (NCS) general requirement clauses for Suppliers. These clauses are an integral part of the NCS purchase order and elements 010 through 200 apply to all purchase orders (PO). Specific, supplemental requirements in addition to the below clauses may be applied and will be defined and noted on the PO. If there are any questions, please contact the buyer.

- 010 PO INFORMATION:** The Vendor, by accepting the PO, agrees to all terms on the PO. It is the responsibility of the Vendor to assure they review all applicable specifications, documents, prints, and other requirements called out on the PO. The Vendor is responsible to request more information from NCS prior to accepting the PO when missing any information or if any questions arise. The Vendor shall maintain a system adequate to assure that federal, government, and customer issued documents and specifications are the revisions in effect at the time the PO was issued or as specified on the PO.
- 020 COUNTERFEIT MATERIALS:** Supplier shall prevent and mitigate the use of counterfeit parts. The description of Counterfeit Materials is as described "A part or material that has been confirmed to be a copy, imitation, or substitute that has been represented, identified or marked as genuine and /or altered by a source without legal right or with intent to mislead, deceive or defraud"
- 030 AWARENESS:** The Vendor shall make all efforts to ensure their employees are aware of the organization's policies regarding their contribution to product & service conformity, product safety & the importance of ethical behavior.
- 040 PO ACKNOWLEDGEMENTS:** The Vendor must confirm PO receipt, acceptance or rejection with the NCS buyer in a timely manner. Acceptance must include estimated date of delivery. If no acknowledgement is received, NCS assumes the PO has been accepted.
- 050 ON TIME DELIVERY:** Purchased items / services are due to NCS within 5 business days unless otherwise specified on PO. The Vendor is expected to meet delivery dates as acknowledged. The Vendor must contact NCS immediately if / when it is determined delivery date will not be met.
- 060 PART PACKING REQUIREMENTS:** The Vendor must provide material reasonably packaged to prevent damage for the method of shipment selected. The vendor should utilize NCS original packaging unless damaged or destroyed with adequate part protection to prevent damage during shipment. All materials must be clearly labeled with the manufacturer name, product identification, and part number of the material. Lot numbers should be recorded on the label if applicable. Supplier shall combine purchased items in one box when possible.

- 070 PACKING SLIP REQUIREMENTS:** The Vendor must reference the NCS PO number on all shipping documents, including UPS shipping labels. The Vendor must clearly label materials making them easily identifiable by NCS personnel.
- 080 MATERIAL SAFETY DATA SHEETS:** The Vendor must provide the most current Material Safety Data Sheets (MSDS) for material and must accompany the packing slip.
- 090 SHELF LIFE ITEMS AND SPECIAL STORAGE:** If the material provided has shelf life limitations to ensure fitness for use, the Vendor must clearly mark the shipping container, accompanying paperwork, and individual items with the verbiage "SHELF LIFE ITEM" with the expiration date clearly visible in an understandable format. If an item requires special storage requirements, the Vendor must clearly mark the outer shipping container and the accompanying paperwork with the necessary conditions for storage.
- 100 INSPECTION RESULTS:** The Vendor must provide a copy of testing results, processing notes, dimensional measurements, surface finish, and / or any inspection results. Dimensional measurements must include the feature size before and after processing.
- 110 METHODS OF FREIGHT:** The Vendor must ship UPS Ground to NCS account number supplied on the PO, unless otherwise specified. In some cases for larger items, NCS may elect to have items shipped by the Vendor or a courier the Vendor selects. When the latter is the case, the terms and conditions of the shipment will be included as part of the PO. NCS is not responsible for paying for freight if Vendor uses an alternative method other than stated on the PO unless approved by NCS prior to the shipment.
- 120 QUALITY / INSPECTION SYSTEM:** The Vendor shall maintain a quality and inspection system adequate to ensure material / services shipped against the PO meet all applicable requirements and are certified (as applicable) in accordance with specified requirements. The system shall ensure the maintenance of all records and associated data, and ensure the records are available for review and verification by NCS upon request.
- 130 REPORT OF DISCREPANCIES:** The Supplier shall notify NCS of any non-conformances which cannot be brought into compliance through the standard operations or rework. Supplier shall identify, segregate and put parts or materials on hold before continued processing or shipment. The non-conformance must be dispositioned by NCS prior to performance of repairs or shipment.
- 140 NONCONFORMING PRODUCT FOUND AT NCS:** In the event NCS is supplied with nonconforming material and / or service, NCS will notify the Vendor. The Vendor is expected to review the nonconformance and provide a reasonable response within seventy-two hours of the first notification of the nonconformance. Repetitive problems may cause a Corrective Action Request be issued to the Vendor by NCS which will require completion and approval by NCS prior to the issue of additional purchase orders.

- 150 TRACEABILITY:** The Vendor shall maintain serial number or lot traceability for all raw materials and processes. Records of acceptance shall be traceable, kept on file, and made available at NCS discretion.
- 160 FLOW-DOWN OF REQUIREMENTS:** The Vendor's purchase orders to their vendors shall flow-down the requirements of this purchase order as applicable.
- 170 RECORD RETENTION:** The Vendor shall retain all pertinent documentation required by the NCS purchase order requirements for a minimum of three years unless otherwise specified.
- 180 APPROVED SUPPLIER:** The Vendor may be required to be on the NCS approved supplier list prior to providing materials / services. It is the responsibility of NCS to assure this is completed prior to placing a PO. There are various methods of approval within the NCS program, some may require copies of external auditing body certificates, some may require on-site audits by NCS audit teams, some may require submittal of requested information to NCS.
- 190 RIGHT OF ACCESS:** NCS reserves the right of access by the organization, their customer and 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. It is the responsibility of the Vendor to provide accurate, complete and full information (within the limits of the law and financial reporting requirements) as requested by NCS.
- 200 ORGANIZATIONAL CHANGES:** Vendor shall notify the organization of changes in product and / or processes, vendors, location of manufacture, and, when required, obtain NCS approval.

**SUPPLEMENTAL:**

- 210 NON-DISCLOSURE POLICY:** The Vendor may be required to review, agree with, and sign a non-disclosure policy upon NCS request if information imparted in the normal course of business could be of a confidential nature to NCS.
- 220 FIRST ARTICLE INSPECTION:** A First Article Inspection is required prior to delivery of the first production unit to demonstrate compliance with the requirements of the PO and referenced specifications. The Vendor, with the participation of a NCS representative, shall perform First Article Inspection.
- 230 FIRST PIECE INSPECTION REPORT:** A First Piece Inspection Report is required with the first lot supplied against this PO. Inspection shall be performed by the Supplier and evaluate all attributes. The piece used for this inspection shall be labeled and clearly identified.
- 240 SOURCE INSPECTION:** All work performed under this order is subject to inspection or test at the Vendor's plant by NCS or other specified authorities prior to shipment. The inspector may

elect to witness inspection or testing of either a random sampling or a 100% basis. The Vendor shall provide test facilities for the inspector to verify contract conformance. The Vendor shall notify NCS Purchasing not less than seven (7) working days prior to the need for said inspection or test.

- 250 CONTROLLED PROCESS:** Prior to processing the PO, the Vendor shall develop a technical plan for conducting the work. This plan shall include, but is not limited to: identification and use of fixtures, operator instructions, quality inspections and documentation, process parameters, sketches and prints, etc. Vendor shall provide a copy of the plan to NCS for review and approval. Once the plan has been approved by NCS, there shall be no revisions to the documentation without prior written approval by NCS. All documentation shall clearly identify it as being customer (NCS) controlled and frozen.
- 260 DIMENSIONAL TEST DATA:** A copy of the Vendor's final test report including quantitative results of all dimensional measurements is required with each lot.
- 270 CHEMICAL & PHYSICAL ANALYSIS:** A copy of the Vendor's final test report including quantitative results of chemical and physical analysis is required with each lot. Raw material shall be subject to physical and / or a mechanical and chemical analysis. These tests shall conform to the current material specification or acceptance tests and a copy of the actual analysis accompany each delivery.
- 280 CALIBRATION:** The Vendor must send a certificate of calibration with return of standards or measuring devices within one week of completion.
- 290 CERTIFICATES OF CONFORMANCE:** All items must be accompanied by a Certificate of Conformance (C. of C.) issued by the Vendor, certifying all materials, processes and finished items supplied against the order were inspected and found to comply with all applicable requirements and specifications. The Certificate shall bear the title, name and signature of an authorized Vendor representative. Test and inspection data shall be kept on file by the Vendor and made available for review by NCS upon request. Packing slip certificates are not acceptable. Certificates must include part number, quantity, specification, revision level and any special processes met.