



SUPPLIER TERMS & CONDITIONS AGREEMENT



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1. AMS Heli Design's Purchase Orders requires its suppliers to use AMS Heli Design's customer-approved special process sources. Furthermore, the supplier is required to notify AMS Heli Design of any change to a product, process, change to supplier's external providers and/or manufacture location used and to obtain approval from management at AMS Heli Design when applicable.
2. When nonconforming product occurs, the associated supplier shall be immediately notified for appropriate controls and disposition. AMS Heli Design shall conduct root cause analysis and implement timely and effective corrective actions. If the supplier is determined to be responsible for the root cause of the problem, the supplier shall be required to conduct its own root cause analysis and plan/execute a timely corrective action plan. All AMS Heli Design supplier actions associated with non-conforming product will be documented and a copy shall be provided to AMS Heli Design.
3. Each shipment associated with an order is required to be accompanied by a Certificate of Conformance to show that verification has occurred, and the shipment meets all requirements. Identification and traceability for each shipment must be maintained and linked to the Certificate of Conformance. Records must be retained for at least seven (7) years. Records that are no longer retained must be destroyed versus discarded.
4. AMS Heli Design, its aerospace customers, and government authorities have the right of access to all facilities, applicable documents, and records involved in processing of AMS Heli Design orders. Advance notification will be provided. This requirement must flow down to all sub-tier suppliers.
5. The AS9100 standard requires that all applicable customer/regulatory AS9100 requirements for the supplier to flow-down to sub-tier suppliers (includes requirements in the purchasing documents and key characteristics where required). However, AMS Heli Design does not allow its aerospace suppliers to subcontract any product or process to a sub-tier supplier without AMS Heli Design expressed written consent.
6. AMS Heli Design performs inspection activities to ensure that purchased product meets purchase requirements. They may include:
 - a. Receiving inspections (of supplier products / services / documents) may be /are performed by a designated employee. AMS Heli Design 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, AMS Heli Design may inspector audit at the supplier's facility.
 - b. Furthermore, products are inspected to ensure they meet requirements (dimensions, etc.) and the results are recorded (as appropriate). All special processes where the compliance cannot be verified by inspections will require a Certificate of Conformity.
7. When AMS Heli Design or its customer intends to perform verification at the supplier's premises; AMS Heli Design will first state the intended verification arrangements and the method of product release. This information will be communicated on the AMS Heli Design Purchase Order or via another acceptable purchasing arrangement.
8. Where specified in the contract, the AMS Heli Design's customer or customer's representative will be afforded the right to verify at the supplier's premises and AMS Heli Design's premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by AMS Heli Design as evidence of effective control of quality by the supplier and shall not absolve AMS Heli Design or its supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.
9. To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), AMS Heli Design will institute controls that include the requirement of Material Certifications, Certificates of Conformity, Process Specifications, First Article Reports, Packing Slip, and/or other supporting documentation from its suppliers as is appropriate. These requirements may be specified on AMS Heli Design 's Purchase Order or may otherwise be communicated to the supplier.



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10. AMS Heli Design requires that all First Article Reports generated on a product are to be annotated and ask that the product in which the First Article Inspection is done to be noted so that AMS Heli Design can perform its own First Article Inspection on that specific item.
11. Records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements.
12. AMS Heli Design expects 100% on time delivery. If the agreed upon delivery cannot be met, the appropriate AMS Heli Design Management must be notified in advance. If AMS Heli Design's annual supplier evaluation identifies a supplier with an on-time delivery rate of 95% or less a corrective action can be issued.
13. AMS Heli Design requires that products provided by Approved Suppliers be correct and free of defect per the supplied Purchase Order. If AMS Heli Design's annual supplier evaluation identifies an issue with a scrap or rework a corrective action can be issued.
14. AMS Heli Design requires that any nonconformities found by supplier during production of part shall be identified on the Production Traveler and submitted to AMS Heli Design for evaluation and disposition of non-conformity. Furthermore, for any non-conformities found by supplier after delivery to AMS Heli Design, must be disclosed via official electronic notification for evaluation by AMS Heli Design.
15. AMS Heli Design may also require specific actions where timely and/or effective corrective actions to a supplier 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 AMS Heli Design's Approved Supplier List, and/or legal action.
16. AMS Heli Design requires its suppliers to promote a culture of employee awareness of their contribution to product and service quality, their contribution to product safety, and the importance of ethical behavior.
17. The Supplier shall have and maintain a documented Quality Management System which is acceptable and appropriate for the items or services supplied. All QMS approved vendors shall maintain a calibration system that is traceable to NIST (National Institute of Technology). Where such standards do not exist, the measurement equipment manufacturer's recommended guidelines or practices shall be followed.

Thank you for your business, and we look forward to further our relationship.
