



PENN STAINLESS PRODUCTS, INC.
 190 KELLY RD QUAKERTOWN PA 18951
 800-222-6144 • PENNSTAINLESS.COM

SHEET • PLATE • BAR PIPE • TUBING FITTINGS • FLANGES
 COMPLETE IN HOUSE PROCESSING FACILITIES

AS9100 D EXTERNAL PROVIDERS TERMS AND CONDITIONS REQUIREMENTS

These External Providers Terms and Conditions shall apply to the purchase of all Products (“Products”), Services (“Services”) or Processes (“Processes”) by Penn Stainless Products, Inc. (PSP). All Purchase orders provided by PSP either verbally, by purchase order, agreement, or otherwise, are subject to the below Terms and Conditions. All External Providers shall ensure that all sub-tier External Providers of services, material or processes adhere to these terms and conditions via flow down requirements. External Provider agrees that no Malpractice, Fraud, or Falsification of material or documentation is permitted and that any occurrence of such may be punishable as a felony under federal statute title 18 chap. 47. Supplier agrees to control material to prevent counterfeit material from being shipped to PSP.

PSP Purchase orders will provide the requirements for the following to all External providers:

1. Products and services needed.
2. Process, method, quantity. Etc. needed.
3. Release information.
4. Required qualifications if applicable.
5. Acceptance criteria, special requirements, critical items or key characteristics.
6. The contacts for communications at PSP
7. Any additional validation requirements intended to be performed on providers’ premises.

External providers are evaluated based on their performance against the following criteria:

1. Supplier non conformances (debits) and credit worthiness.
2. Supplier on-time delivery

Suppliers will remain in good standing if credit returns (debits) do not exceed 2% of purchases for two consecutive quarters.

Any supplier that exceeds this threshold or supplies material that is non-conforming will receive notice and corrective action may be required. Additional steps may be taken if the External Provider does not show improvement.

External Providers shall not provide any Material or Melt from the KOBE STEEL or KOBE TUBE COMPANY, KOBELCO, or any of their affiliates.

Non-Disclosure External Provider will not directly or indirectly use, disclose or permit unauthorized access to any confidential information and will take precautions to prevent any person or entity access to any of the confidential information other than for purposes related to the business purpose. Confidential information shall only be disclosed within the providers organization on a “need to know” basis to employees who have been apprised of its confidential nature and shall not be further disclosed to any third party outside of the providers organization with prior consent from Penn Stainless Products. The provider must be aware of the control of sensitive information that may be provided and control this data via information systems and technology. The provider is required to control exports per any PSP purchase order requirements invoked.

PSP requires the following of all External Providers:

1. All vendors supplying raw material must follow the purchasing specification noted on PSP purchase orders. These can be found at www.pennstainless.com.
2. Send a copy of all packing slips and test reports to certs@pennstainless.com.
3. Send a copy of all invoices to Invoices@pennstainless.com.
4. External Provider to have a documented policy if electronic signatures are used.
5. All material test reports must be traceable to the original melt source. No test reports will be accepted with white out or address information removed and must adhere to PSP specifications available at www.pennstainless.com.
6. No test reports will be accepted with “chemical or mechanical properties provided “To the best of our knowledge language”
7. Maintain Heat/Lot Traceability - Heats must be traceable to the original mill test certificates.
8. Each Bundle must be labeled with PSP PO# and ITEM (when applicable).
9. Material must be packaged to prevent damage and carbon bands cannot encounter material.
10. Inform PSP of any changes to the previously approved quality system described in the Quality Survey provided by External Provider to the PSP Quality Department at time of vendor approval.
11. PSP requires that the External Provider shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data. The provider is also required to retain any order information for a minimum of 10 years.
12. No weld repair is to be performed on any material supplied to PSP.
13. No material is to encounter mercury contamination.
14. All material supplied must be DRC “Conflict Free”
15. Notify PSP of any nonconforming product or services immediately upon discovery and obtain PSP approval for nonconforming product disposition.
16. Items shipped directly to PSP customers must be inspected by the provider. Final inspection documentation must be maintained and available for periodic review by PSP.
17. PSP excludes Design and Development and therefore only processes customer approved drawings. All external providers must adhere to these same requirements.
18. In the event of a conflict between the supplier and PSP, the PSP provided purchase order takes precedence for provided material.
19. Any special processes requiring customer approval must be submitted prior to manufacture or inspection. This will be invoked on purchase orders if required.

Outside Processors

1. **Any polishing, grinding, heat treating, machining, or any other process that changes the material’s original condition will be the responsibility of the vendor. Material that does not meet the specifications of the purchase order and has been altered will not be returned and the vendor will be subject to charges for material and processes costs.**
2. **Any schedule changes and or communications regarding replacement material needed must be through processing@pennstainless.com. No schedule changes will be permitted by inside or outside sales representatives of Penn Stainless Products.**
3. If Cutting material – All drops/scrap must be marked with heat number, packaged separately from finished products and returned to PSP.
4. Maintain Heat/Lot Traceability for PSP supplied material - Heats must be traceable to the original mill test certificates.
5. Separate/process PSP material by heat number and mark pieces and bundles with heat and purchase order number.

Aerospace and Government/Defense suppliers

20. External providers must have a process to prevent the use of counterfeit parts.
21. Notify PSP of changes in product and/or processes, changes of suppliers, and changes of manufacturing facility locations.
22. PSP must be notified if anyone related to the processing of PSP orders is ineligible to provide material to a government agency due to disbarment.
23. Apply appropriate control and flow down the supply chain the applicable requirements, including customer requirements.
24. Retain all records associated with PSP Purchase Orders for a minimum of 10 years. Documentation must be retained and controlled to prevent loss or theft.
25. The right of access by PSP, PSP customers, Regulatory authorities at any level in the supply chain.
26. Provide test specimens for approval, inspection/verification, investigation, or auditing, if applicable.
27. Ensure that all personnel are aware of their contribution to product and service conformity, their contribution to product safety and the importance of ethical behavior.
28. The provider must have an implemented quality management system.
29. Suppliers must have an Electronic Data Retention Procedure including controls for action, delegation, identification, preservation of unauthorized access, password policy, review and recording changes of signatures.