

## TERMS AND CONDITIONS

A & E Precision Machining Ltd. (referred to as Anchor-Edbar) suppliers will be approved according to Anchor-Edbar internal processes. **These internal processes include a review of supplier performance during regular Anchor-Edbar management review meetings.**

Anchor-Edbar gives preference to organizations which have implemented formal quality management systems. Approval of suppliers will include approval of product, procedures, processes and equipment; requirements for qualification of personnel; quality management system requirements

When a specification (may be proprietary to a customer) is required, the specification and revision number will be included in the Purchase Order text. When applicable, inspection / verification instructions and other relevant technical data will be included.

When required by Anchor-Edbar, requirements for design, test, inspection, verification (including production process verification), use of statistical techniques for product acceptance, and related instructions for acceptance by the organization, and as applicable critical items including key characteristics will be included in the Purchase Order text.

When test specimens are required, the method of production, the number and storage conditions will be included in the Purchase Order text.

**The use of counterfeit product will be prevented by all Anchor-Edbar suppliers to the extent possible through the use of well-established manufacturers and suppliers.**

**Suppliers will ensure their employees are aware of:**

- **Their contribution to product or service conformity**
- **Their contribution to product safety**
- **The importance of ethical behaviour.**

Suppliers who are manufacturing or processing product directly for Anchor-Edbar are required to notify Anchor-Edbar in the event of nonconforming product/material. Arrangements for the approval of supplier nonconforming product/material must be as directed by Anchor-Edbar Quality Department. Furthermore, the supplier is required to notify Anchor-Edbar of any changes to a product and/or process and to obtain approval from Anchor-Edbar's Quality Department.

Records related to manufacturing or processing will be retained by the supplier for a minimum of 10 years.

Anchor-Edbar, their customers, and regulatory authorities retain the right of access to all supplier facilities involved in the aerospace order and to all applicable records. 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).

To ensure product identification and traceability (and for other reasons), Anchor-Edbar will require suppliers to provide Material Certificates, Certificates of Conformity, and/or other supporting documentation from its suppliers as is appropriate.