

As an External Provider to Classic Coil Company Inc. (CCC), it is understood when accepting our purchase orders, your organization agrees to meet the following requirements. The requirements outlined below are to be considered as Terms and Conditions for all purchase orders that pertain to the purchase of raw material, components and outside services procured by Classic Coil Company.

### **GENERAL REQUIREMENTS**

The External Provider warrants that in the execution of the CCC purchase order, the External Provider shall comply with all applicable statutes, rules, regulations, and orders of the Government and any of the state or political subdivision thereof, and agrees to indemnify CCC against any loss, damage, cost, or liability by External Provider's violation of this warranty.

Communication to CCC should be made to the Buyer of Record on the Purchase Order. Communication should be provided in a written/electronic format as requested.

CCC reserves the right of final approval of Product and services; methods, processes, and equipment; the release of final product and or services. All special processes required by this Purchase Order must be performed by qualified personnel.

The External Provider shall ensure that personnel are aware of:

- Their contribution to product or service conformity
- Their contribution to product safety
- The importance of ethical behavior
- Prevention of FOD and Counterfeit Parts
- Identification of Counterfeit Parts

### **CONFIDENTIALITY**

The External Provider shall not disclose to any third party (other than a government or judiciary body, as required by law, and only with prior written notice to CCC of any such disclosure), or use any information, including personal data, that the External Provider receives from or learns about CCC and/or its affiliates in connection with, or as a result of this PO, including without limitation, the existence or details of this PO or any agreement or arrangement with CCC except as is necessary to perform this PO.

### **RIGHT OF ACCESS**

Right of access by CCC, our 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 to include verification and validation on site, as defined on the Purchase Order and arranged with the External Provider.

### **QUALITY MANAGEMENT SYSTEM**

External Providers, including their sub-tier providers that have obtained certifications such as ISO 9001, AS9100D, NIST/ISO/IEC 17025:2017 shall maintain a valid certification status, and agree to notify CCC in the event that their certification expires or has been declared invalid by the governing body.

External Providers providing calibration services must provide a Certificate of Calibration as evidence of calibration that is traceable to NIST/ISO/IEC 17025:2017. Certificates must also identify AS RECEIVED and AS LEFT conditions in whatever terminology deemed appropriate. Notification must be made if items are determined damaged or unable to calibrate as soon as possible for potential impact review.

Customer Directed providers must operate in accordance with approved specifications and standards, as dictated and controlled by the customer.

The External Provider shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and all other relevant technical data.

**INSPECTION & VERIFICATION**

CCC reserves the right to approve or specify any designs, test, inspection plans, verification, use of statistical techniques for product acceptance, and any applicable critical items, including key characteristics.

When required, the External Provider agrees to provide 1<sup>st</sup> Article Inspection Reports (FAIR) per the requirements of the Classic Coil purchase order. The cost of such reports shall be included on the External Provider's quotation. Unless specified otherwise, the FAIR and all accompanying documentation is due upon delivery of the product to CCC. Key, critical, and special characteristics shall be identified and controlled as noted on the Purchase Order or specification.

**CERTIFICATION OF GOODS AND SERVICES**

The External Provider agrees to provide Certificates of Conformance with all orders of Raw Materials, Components and Outside Services. If the External Provider uses an approved third-party provider for products and or outside services, the External Provider agrees to forward all certifications from the third-party provider.

**TRAINING**

The Supplier shall ensure personnel performing work under the Purchase Order, are qualified to perform the functions required to produce the desired results. This would include any specific training and/or certifications as described within the applicable specifications related to this order.

**NON-CONFORMING MATERIAL (OUTPUTS)**

The External Provider shall notify CCC of non-conforming product within 24 hours of discovery of such non-conformity, regardless of whether it be prior, during, or after receipt of the product. CCC does not grant disposition authority for non-conforming product. No known non-conforming product shall be shipped to Classic Coil without our written authorization. External Providers are required to obtain CCC's approval for non-conforming product disposition. Rework of non-conforming product is not allowed without approval from CCC.

**SERIOUS FAILURES, MALFUNCTIONS OR DEFECTS**

External Providers shall notify CCC of any serious failures, malfunctions or defects found in the product within 24 hours of discovery via written communication.

**CHANGES**

External Providers shall not make any changes to Materials, Components, Manufacturing Location or Third-Party Providers without CCC's consent. If changes are required, the External Provider agrees to notify the Buyer of Record to obtain approval before any changes are made.

**SUBCONTRACTORS**

CCC does not allow its External Providers to subcontract any product or process to a sub-tier External Provider without prior written consent from CCC. If a subcontractor is required, notification must be provided to CCC in writing, stating the service to be provided and subcontractor(s) to be used.

**FLOW DOWN**

The External Provider shall flow down to their supply chain all of the applicable requirements per the CCC Purchase Order.

**EXTERNAL PROVIDER PERFORMANCE MONITORING**

Performance of External Providers is monitored using specific metrics data that includes but is not limited to:

- Quality performance of parts and services and On-time delivery performance.
  - If CCC's monthly External Provider evaluation identifies an External Provider with an on-time delivery rate less than 80%, a corrective action request may be issued to the External Provider.
  - If CCC's monthly External Provider evaluation identifies an External Provider with quality rejections exceeding 5% of their work orders, a corrective action request may be issued for External Provider response.
- If the delivery date cannot be met, the CCC Buyer of Record must be notified in advance of the due date.

**CORRECTIVE ACTIONS**

Corrective Actions flowed down to the External Provider shall be completed and returned in a timely manner. The External Provider is required to flow down corrective action requests and requirements to sub-tier providers when it is determined the sub-tier provider is responsible for the non-conformity.

**INCOMING INSPECTION**

CCC performs an incoming inspection to ensure the purchased product meets purchasing requirements.

These requirements may include:

- Verification of the certificate of conformity, or other certifications.
- Products are inspected to ensure they meet requirements (dimensions, etc.) and the results are recorded when appropriate.
- All special processes (plating, heat treat etc.) where the compliance cannot be verified by CCC, inspection will require Certificate of Conformity or applicable certification documents on all orders.

**RECORD RETENTION**

External Providers shall retain all Records including disposition requirements associated with the Purchase Order as required by contract for a minimum period of 10 years. These records shall be deliverable to the CCC Buyer of Record within 48 hours after request.

**FOREIGN OBJECT DEBRIS/DAMAGE (FOD) PREVENTION**

External Providers shall maintain a FOD prevention Program. FOD program shall include workforce training, a review of manufacturing processes to identify and eliminate FOD entrapment areas through which foreign objects can migrate. External Provider shall ensure work is accomplished in a manner to prevent FOD in deliverable items. External Provider shall maintain work areas in a manner sufficient to preclude the risk of FOD incidents. External Provider shall investigate each FOD incident and ensure elimination of its root cause. In accordance with AS9100D, Section 8.1 (Operational Planning and Control).

**PREVENTION OF COUNTERFEIT PARTS**

External Providers shall plan, implement, and control their process for the prevention of counterfeit or suspect counterfeit parts from use or inclusion into the product in accordance with AS9100/AS9110/AS9120 clause 8.1.4 (Prevention of Counterfeit Parts).

**PREVENTION OF SUSPECTED UNAPPROVED PARTS**

External Providers shall plan, implement, and control a process that identifies and prevents the release of unapproved and suspected unapproved parts or inclusion into the product in accordance with AS9100/AS9110/AS9120 clause 8.1.5 (Prevention of Suspected Unapproved Parts)

**EXPORT/IMPORT/ITAR COMPLIANCE**

To ensure compliance of U.S. export laws, CCC does not conduct any business transactions with the "denied persons list" published by the department of state and the specially designated nationals" published by the department of treasury, foreign assets control. CCC expects all suppliers and its sub-contractors to comply with these laws as well.

Information furnished to External Provider under this purchase contract may contain data subject to U.S. Export Laws and Regulations. External Provider is advised that such data may not be exported or re-exported to foreign persons, employed by, or associated with, or under contract to External Provider or External Provider's lower-tier External Providers, without the prior written consent of CCC, and under the authority of an export license or applicable license exemption. If such data is marked as export controlled, External Provider shall indemnify and hold buyer harmless from and against any and all claims, liabilities and expenses resulting from External Providers' failure to comply with the Export Laws and Regulation of the United States.

**INFORMATION SECURITY**

External Provider must ensure that all Confidential Information/Intellectual Property is appropriately protected. The External Provider, and its representatives, agents, sub-External Providers, contractors and subcontractors, must protect Confidential Information/Intellectual Property from unauthorized access, destruction, loss, use, modification and/or disclosure, irrespective of the accidental or unlawful nature of such access, destruction, loss, use, modification and/or disclosure, through appropriate physical and electronic security procedures and safeguards, including mitigating emerging risk to information systems by implementing appropriate information/cyber security programs. External Provider must report to CCC any suspected or actual data breach or security incident as soon as the External Provider becomes aware of it. Further, the External Provider shall: (i) maintain the level of information security agreed by the parties, including, but not limited to any relevant certifications, such as the Cybersecurity Maturity Model Certification, if applicable, throughout the term of the Contract and shall not decrease such agreed security level without Classic Coil's prior approval; and (ii) notify CCC in writing if the External Provider is unable to maintain the agreed security level.