
SUPPLY CHAIN MANAGEMENT: Vendor must be willing to identify the entire supply chain, which includes ongoing monitoring of subcontractor quality and delivery performance. It is the vendor's responsibility to ensure that all AIS requirements are flowed down to all subcontractors used in the manufacturing process. The vendor is responsible to notify AIS of any changes in product and/or process, suppliers or subcontractors, and manufacturing facility location. AIS and their representatives must be granted right of access to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

RECORD RETENTION: Vendor is responsible to retain *all* records relating to the product or material it has supplied AIS for a period of 10 years from date of shipment. This includes all shop travels, operation sheets, and or inspection reports as well as all items listed under certifications. **Vendor MUST be able to produce these records upon request by AIS within a 24 hour period.**

TRACEABILITY AND SERIALIZATION: Product traceability is a requirement. Vendor must provide unique identification of product batch number, lot number, or if required by the drawing, serial number. The batch, lot, or serial number must be traced to all raw material, manufacturing, and inspection records.

- If raw material is supplied by AIS, you must assure parts are traceable by lot number and /or serial number to the raw material heat code or assigned traceable number.
- If items supplied by AIS are serialized, you must assure that traceability is maintained during processing.
- If parts are serialized, vendor must provide with each shipment a list of serial numbers in the shipment either on the packing slip or the certification.

CERTIFICATIONS: Vendor must submit *all* certifications (raw material, special processes, etc.) and certified tests reports for each shipment.

Certifications and certified tests report must include:

- AIS Purchase Order Number
- AIS Part Number
- Drawing Number and Revision
- Parts List and Revision
- All manufactured or supplied are manufactured to the latest revision
- Process performed or material provided, including type, class, grade, as applicable
- Specification number and revision as applicable
- Quantity shipped
- Date shipped
- Name and Title of authorized representative from the company that manufactured the material, or performed the process or tests
- Unique traceability number (certification number, heat code number, batch number, etc.)
- Serial number list, if applicable
- Statement certifying that the parts covered by the certification are in compliance with the applicable purchase order number, drawing and specification requirements
- Raw Material Certification must state material is in compliance with DFAR 252.225-7014

FAA INSPECTION: Vendor must be willing to allow Federal Aviation Administration (FAA) to perform an inspection at vendors' facility. During the performance of this order, Vendor's quality control or inspection system and manufacturing processes are subject to review, verification, and analysis by the Federal Aviation Administration (FAA). FAA inspection is not required unless you are otherwise notified.

Inspection: Product or material is not deemed accepted until they pass inspection. AIS shall have 10 days from actual date of delivery to inspect products and/or materials. If the product or material are rejected, in whole or part, they shall be returned to Vendor at the Vendors cost and the delivery shall not be considered to have been timely made. Payment of an invoice does not limit AIS remedies.

NOTIFICATION OF NON-CONFORMING PRODUCTS: Vendor must notify AIS within 24 hours of verification of any non-conforming product or material that had been shipped to AIS. Vendor is responsible for any cost AIS incurs in a recall.

The Vendor must communicate and receive written approval from AIS prior to delivery of the discrepant parts or materials. Vendor must be willing to complete a Supplier Corrective Action Report (SCAR) including:

- Immediate corrective action and containment
- Root cause and evidence of root cause analysis
- Corrective action
- Corrective action plan
- This report must be completed and sent to the Quality Manager within 10 days of date received.

CONFIDENTIAL INFORMATION; OWNERSHIP OF DOCUMENTS AND MATERIALS: Vendor will treat as confidential and not disclose any information received from AIS. Vendor will use such information only as necessary to fulfill its obligations under the Purchase Agreement. Upon termination of the Purchase Agreement, all such information will be destroyed by Vendor. Vendor will not make any announcement or release any information concerning the Purchase Agreement to any other person or entity, except as required by law, unless prior written consent is obtained from AIS.

ACCEPTANCE: This Purchase Order constitutes AIS offer to purchase from Vendor the products/materials described herein upon the terms and conditions stated herein and shall become a binding Agreement when accepted by Vendor. Any variance or amendment to any part of this Purchase Order (including any supplements, specifications or other documents incorporated herein by reference) is hereby objected to and is void unless expressly accepted by AIS in writing. AIS shall not be deemed to have accepted any offer of Vendor and shall not be responsible for goods shipped to AIS under except in accordance with the terms and conditions.

CANCELLATION: AIS reserves the right to terminate the Purchase Order or any part thereof, by written notice, and to refuse to accept delivery, or at Vendors cost, to return goods already delivered if shipment is made later than the day specified or if Vendor breaches or anticipatorily breaches any of the terms and conditions or if any shipments are not in accordance with AIS purchase order, shipping instructions, including but not limited to specification of delivering carrier.

PACKING REQUIREMENTS: All packaging must be of sufficient quality to carefully and safely transport the goods purchased and to assure lowest transportation costs. Material and/or goods incorrectly packaged where damage may or has occurred will be subject to rejection at no cost to AIS. Packing slips must accompany each shipment. Order number *and* part serial number shall appear on all shipping labels, packing slips, transport documents, invoices, and correspondence. AIS shall have the right to reject and ship back at Vendors expense shipments which do not meet AIS shipment requirements *as* specified herein.