



## SUPPLIER HANDBOOK

### General Policy

American Casting Company (ACC) purchases various types of product. Some are more critical to end-use product supplied to our customers. The controls required to ensure the product conforms to our requirements are defined during the supplier selection process and on purchase orders issued to suppliers.

### Purpose

The purpose of this manual is to provide basic guidance to ACC suppliers.

### Scope

The scope of this manual includes supplier approval, re-evaluation, purchase order information, and actions required by suppliers.

### Responsibilities

- ACC Quality Manager is responsible for supplier evaluation and approval.
- ACC Shipping and Receiving Supervisor is responsible for Purchase Order content and incoming inspection of purchased product.
- ACC Buyers are responsible for obtaining pricing from suppliers.
- Suppliers may communicate directly with ACC Engineering and QA representative regarding technical issues. Any change must be made through a revised PO.
- Suppliers are responsible to comply with this manual and to provide product which conforms to Purchase Orders.

### Supplier Qualification

- Third party accreditation (e.g. ISO-9001) is required for critical products where it is not possible for ACC to verify compliance of the product supplied.
- A completed supplier audit is required to be completed for all non-accredited suppliers.

- Customer approved sources or materials may be required in some cases.
  - This will be listed on the purchase order.

### Approved Supplier List

Once suppliers are qualified, they are added to the Approved Suppliers List for the product supplied. Failure to meet minimum performance metrics may result in removal from the Approved Supplier List.

### Evaluation

Suppliers are subject to re-evaluation based on performance (on-time delivery and quality).

Supplier scorecards are issued periodically.

### Corrective and Preventive Action (CAPA)

Supplier CAPAs will be issued for discrepant material or failure to meet minimum performance requirements. Failure to complete CAPAs by the date due may result in removal from the Approved Suppliers List.

### Counterfeit Work

- Definition: Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved work that has reached a design life limit or has been damaged beyond possible repair, but is altered and misrepresented as acceptable.
- Counterfeit work applies to seller and its sub-tier suppliers.
- Seller agrees and shall ensure that Counterfeit Work is not delivered to American Casting Company.
- Seller shall immediately notify American Casting Company with the pertinent facts if seller becomes aware or suspects that it has furnished Counterfeit Work.
- When requested by American Casting Company, seller shall provide documentation that authenticates traceability of the affected items.
- Seller shall include provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as work to American Casting Company

### Non-Conforming Product

Suppliers are required to IMMEDIATELY notify American Casting Company of non-conforming product. Approval or disposition in writing from ACC is required and must accompany the product shipment.

## Purchase Orders

- General: Purchase orders list the requirements of purchased product or services. These include flow down of end-use customer requirements.
  
- Requirements include as applicable:
  - Requirements for approval of product, procedures, processes and equipment.
  - Requirements for qualification of personnel
  - Quality management system requirements.
  - Technical data including specifications, specification revision, drawings, process requirements, inspection/verification instructions
  - Requirements for design, test, inspection, verification, use of statistical techniques for acceptance, and related instructions for acceptance and as applicable critical items including key characteristics
  - Requirements for test specimens
  - Controls to ensure requirements are met
  - All suppliers to American Casting Company are responsible for ensuring the acceptance of their products delivered to American Casting Company or drop-shipped to a separate location.
  - Suppliers to American Casting Company shall validate that their sub-tiers perform all final inspection and testing as required by purchase orders, engineering drawing, and specifications referenced in the applicable purchase order to ensure customer requirements are met.
  - In addition, the sub-tiers shall maintain the quality record for inspection and testing along with acceptance criteria for times stated on purchase order.
  
- When purchase orders are flagged with an ITAR requirement, the supplier agrees that all technical data provided to supplier by ACC will be used in strict compliance with the ITAR requirements and solely for the performance of work per the purchase order.
  - Supplier agrees to implement procedures for restricting access to the technical data to US nationals only. If during the performance of the work supplier is required to provide such technical data or part to a sub-tier source, the supplier may do so provided that such sub-tier source is also located in the United States and further provided that the supplier has imposed upon the sub-tier source the same ITAR obligation as contained herein.
  
- Process Changes: Notification of changes in process, suppliers, or manufacturing facility location may in some cases be required.
- Supplier shall ensure that their personnel are aware of:
  - Their contribution to product or service conformity.

- Their contribution to product safety.
- The importance of ethical behavior.
- Supplier shall ensure parts are packaged and returned as received.
- Parts are packaged to prevent damage
- Ensure packaging secures contents to eliminate shifting in container/ box.

#### Right of Access:

American Casting Company, its representatives, its customers and its customer's governmental agencies and regulatory agencies shall have the right of entry into a supplier's facility or that of their subcontractors, suppliers and/or business partners. Access will be provided to quality system documentation, quality records as well as the ability to conduct audits, verify product and processes.

#### Property of Others Insurance

Suppliers shall maintain Property of Others Insurance protecting customer property with limit of not less than \$1,000,000.00.

#### Fraud and Falsification (F&F):

Purchase orders and activities hereunder prohibit falsification or fraud of any kind. Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under this purchase order may be punishable in accordance with applicable legal statutes.

Seller employees engaged in the performance of work under this purchase order shall be informed in writing prior to performance of work that there is a risk of criminal penalties associated with any falsification, concealment, or misrepresentation in connection with work performed under this purchase order.

Seller shall include all provisions of this contract clause, including this sentence, in all lower tier contracts under this order.

#### Digital Product Definition (DPD) Requirements:

This requirement will be explicitly called out on American Casting Company purchase orders. When invoked, the supplier is responsible for maintaining a DPD procedure that has been approved by American Casting Company.

In addition, the supplier shall notify American Casting Company within 30 days of implementing any changes to:

- a) The Documented DPD/MBD Processes.
- b) CAD, CAM, (when used for product acceptance), CAI software additions, updates or changes.
- c) Addition of new coordinate measurement system (CMS).
- d) Quality manager or key personnel.