



QUALITY TERMS AND CONDITIONS

Quality System

Supplier is required to maintain the quality system in effect at the time of quality approval to guarantee the product or service will meet the requirements of the Purchase Order and applicable specifications. Loss of Quality System certification or major changes are to be reported to Castle Metals' Quality department. If a nonconforming process, product, or service is suspected post shipment the supplier is required to notify Castle Metals of the potential nonconformity.

Supplier's quality system is subject to the approval of Castle Metals' quality department. This approval may be obtained via written quality survey or an on-sight quality audit and is subject to periodic re-approval.

Material Country of Origin

Requirements for origin of material will be identified on the Castle Metals Purchase Order. North American suppliers must note the USMCA compliance status of the material.

Special Processes

The supplier is to maintain Special Process records, which should include, but are not limited to, the qualification of processes, procedures, and personnel.

Supplier Records and Retained Information

Supplier is responsible for inspection of all material under the referenced Purchase Order to all applicable drawing requirements and specifications prior to delivery. Supplier and their subcontractor(s) (if applicable) shall prepare records evidencing all inspections made under the referenced Purchase Order. Acceptance by Castle Metals does not relieve supplier of any responsibility for meeting all engineering drawing and specification requirements.

Inspection and test records shall be retained and made available to Castle Metals for a period of no less than 10 years from delivery of material and then properly destroyed or disposed of per the direction of Castle Metals or forwarded to Castle Metals if requested for retention.

Right of Entry

Castle Metals, our customers, our customers' final customers and regulatory agencies shall have the right to verify the quality of work, records, and material at your facility. When Castle Metals or our customers intend to perform inspection and verification at your premises, the Castle Metals Purchase Order shall state the arrangements and method of product release/approval.





Identification

To prevent the purchase of counterfeit or suspect unapproved product, the Supplier shall maintain a process to ensure that all products will be marked in accordance with material specification requirements. Material shipped to any Castle Metals facility or direct shipped to Castle Metals' customer on behalf of Castle Metals requires the identification of the Castle Metals Purchase Order number on the packaging or package label.

Technical Data

Supplier shall comply with all specifications and drawings stated in the Purchase Order. Supplier shall comply with the most stringent specification in the event of a conflict in specifications. If specification revision is not listed, latest revision shall apply.

Traceability

Supplier shall establish and maintain a documented heat lot control system that assigns a unique number to each heat lot or batch and shall be traceable through all fabrication and heat treat processes.

Preservation

Supplier must exercise reasonable care when packaging and preserving material for transport to Castle Metals. The material must be in good order and damage, corrosion, and Foreign Object Debris/Damage (FOD) free upon receipt into a Castle Metals facility. Supplier is expected to have documented standards for protection and preservation that are based on experience and industrial standards as appropriate to the product shipped. Supplier shall maintain a (FOD) prevention program to preclude introduction of foreign objects into the material processed or provided.

Failure to properly protect the material will be cause for rejection and subsequent return and debit of the material to supplier.

Approved Suppliers

If subsequent processing or sub-contracting is employed, supplier must verify that its processor is a Castle Metals approved processor and is currently approved by Castle's customer.

Material Test Reports

Supplier shall provide copies of the original mill test reports showing material traceability to the producer. The test reports shall show the test results required by the specification and revision referenced in the Purchase Order including any heat-treat response tests or NDE as required. Material country of manufacture and melt Origin must be indicated, and complete traceability to the original manufacturer must be indicated provided as part of on the test report record. Certification of the manufacturing process and subsequent verification of the process results by processing vendor's lab is required, and should be included or forwarded to Castle Metals along with applicable certificate of conformity and test reports and/or airworthiness approval from approved manufacture or approved repair station. Such test reports shall show the actual number of pieces for each heat lot.





If a sub-tier vendor carries out the subsequent testing, the sub-tier vendor must be approved by Castle Metals and Castle Metals' customer.

All test reports should be signed and dated by authorized personnel. For all materials, all testing required by specification shall be reported on certified test reports.

Processing Certifications and Test Reports

Supplier shall provide copies of processing test reports showing material specification, condition or temper, heat lot, controlling process specification, and subsequent processing parameters as specified by the controlling specification. Processing parameters may include thermal processing times and temperatures, furnace number, NDE test specification, and internal procedure number.

Heat segregation must be maintained and identified. Subsequent test validations required by specification or Purchase Order such as hardness, conductivity, mechanical testing, and heat-treat response shall be reported on the test report.

Sub-Processing Test Reports

If supplier carries out subsequent sub-processing, the sub-tier processing vendor must be approved by Castle Metals and its customer and included as part of the Test Report record. All sub-processing test reports should be signed and dated by authorized personnel.

Test Pieces

Test pieces (when required) will be specified as a requirement on the Castle Metals Purchase Order. Supplier will supply a representative test piece of each heat lot, which shall not be cut from the prime material unless authorized by PO. Test pieces shall be clearly identified and segregated when returned to Castle.

Performance Monitoring and Rejections

Castle Metals will monitor supplier's performance by examining on-time delivery, material claims, credits, recalls, and documentation issues. In the event a shipment fails to meet specifications or Purchase Order requirements, supplier and its subcontractor(s) (if applicable) must provide a response to Castle Metals Quality Assurance within 10 days of notification. If supplier does not respond within 10 working days, Castle Metals shall at its discretion debit accounts payable and return the discrepant material freight collect.

Acknowledgement and Flow Down

Supplier's acknowledgement of these Terms and Conditions will be confirmed by receipt of signed Purchase Order, receipt of invoice, or any services rendered against the Purchase Order. The supplier shall flow down all requirements of these Terms and Conditions and of the Purchase Order (including information on key characteristics where required) to its lower-tier suppliers.





Changes in Product Definitions

Supplier is to notify Castle Metals for approval of any exceptions/changes in product definitions and/or manufacturing process, change of suppliers, change of service process, change of manufacturing facility location, and/or testing process, when such a change will affect contract requirements, Castle Metals' customer's special process approval, material specification requirements, or the Purchase Order.

Required Communications for the Approval of:

Design and development control; Special requirements, critical items, or key characteristics; The use of statistical techniques for product acceptance and related instructions for acceptance by the organization.

The external providers' interactions with the organization.

External Provider Employee Awareness

Supplier shall establish and maintain a process to ensure that supplier and its employees and contractors are competent, including any required qualification of persons; and shall ensure that its employees are aware of:

- a. Their contribution to product or service conformity
- b. Their contribution to product safety;
- c. The importance of ethical behavior; and
- d. The importance in prevention of counterfeit product.

