

OPERATING PROCEDURE QOP 8.4.4

TERMS AND CONDITIONS

Inspection and Acceptance

The specific quantities of goods or services ordered must be performed or delivered in compliance with the purchase order. Seller must perform, prior to delivery, inspections and test reasonably required to substantiate that the **goods** and services conform to the requirements of the PO.

Statistical Process Control

If requested, the supplier shall provide statistical process control charts for a company shipment of material to Sullivan Steel Service.

Quality Program Requirements

The supplier shall have established and documented a Quality Control System that **is accredited by a third party** or be approved by Sullivan Steel.

Non-Conforming Product

If product is intended to be shipped to Sullivan Steel and it does not conform to specifications, the supplier is to notify Sullivan Steel Service prior to shipment.

Counterfeit Parts

The supplier shall establish a process to prevent the use of counterfeit parts. In the event that counterfeit parts are found **and** there is a possibility that they have been received by Sullivan Steel Service, the supplier shall notify Sullivan Steel Service so that appropriate containment actions can be taken.

Supplier Changes

Any changes to the contract requirements by the supplier must be approved by Sullivan Steel Service in writing. Notify Sullivan steel Service of changes in product and /or process, changes of suppliers, changes in manufacturing location and, where required, obtain Sullivan Steel Service's approval.

Supplier Flow-Down of Sullivan Steel Service Requirements:

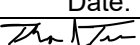
The supplier will flow down to their sub-tier supplier the applicable requirement in Sullivan Steel Service purchasing document.

ITAR/EAR

When flowed down, the supplier shall ensure that all ITAR/EAR controlled technical data, including equipment and technology, is not disclosed, both in written, oral and/or visual form, to any foreign persons "foreign nationals" within its facility. This requirement includes any subcontracted materials performed by the supplier's sub-tier within their facility. Additionally, ITAR/EAR controlled information must remain within the United States and may not be disclosed to any foreign countries.

Certificate of Conformity

Each shipment must be accompanied by a Certificate of Conformance signed by responsible Quality Representative of the supplier. The Certification shall state that the furnished material has been manufactured, inspected and/tested, and prepared for shipment in accordance with all applicable specifications, drawings, and/or standards and that test report, as required, are on file and available for review.

Manual: OPER. PROC.	Section 8	Date Issued: 9-18-17
Rev. 03	Date: 8/31/21	Page 1 of 2
Authorized by: Tom Trainer		Title: President

OPERATING PROCEDURE QOP 8.4.4

TERMS AND CONDITIONS cont'd.

Quality and Inspection Records: Quality and Inspection records must be maintained for a period of seven (7) years minimum unless otherwise stated on PO or drawing.

Right of Entry

Sullivan Steel Service, customer representative or regulatory agency has the right of access to all facilities involved in the order and to all applicable records in the performance of the contract.

Personnel:

The supplier shall assure that all personnel are aware of their contribution to Product /service conformity, product safety, and the importance of ethical behavior. When required, Sullivan Steel Service may request that personnel of a certain competence level be utilized to perform the service specified on the PO. The supplier is expected to adhere to the competence request and provide competence records should they be required.

Traceability

The supplier shall maintain a system of traceability on all raw materials, purchased components, and manufactured parts used to supply items on this PO. Traceability can be in the form of batch or lot numbers and shall be listed on the product label or provided on the required documentation.

Conflict Materials

The use of "conflict materials" as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act from the Democratic Republic of the Congo or any adjoining countries ("DRC Countries") is prohibited for use in the manufacture of product for Sullivan Steel Service.

LCS/P&W

When Sullivan Steel Service's Purchase Order to LCS subcontractors request LCS control per MCL Manual Section F-17, supplier shall certify to LCS to P & W when test reports (per PWA 300) are required. Supplier shall comply with all requirements of PWA 300 as applicable and ASQR-01. Reports covering material or parts produces to the requirements of LCS shall contain a statement, "Parts/material have been controlled to P&W requirements for LCS per MCL Manual Section F-17", or similar statement.

Revision History

Revision	Release Date	Change(s)
3	8/31/2021	Additional requirement regarding P&W LCS