

# S and Y Industries

Winfield, Kansas

## PURCHASE ORDER SUPPLIER QUALITY REQUIREMENTS

(Rev. 2, dated 3-19-18)

(Most recent changes will be in *BOLD Italics.*)

1. **PACKING AND SHIPPING.** Supplier shall prepare and package product for S and Y Industries to prevent damage and deterioration during shipping.
2. **SHIPMENT/DELIVERY.** Shipments or deliveries, as specified in a S and Y Industries Purchase Order, shall be in accordance with the specified quantities and the specified schedules. Supplier is requested to notify S and Y Industries of any anticipated or actual delay.
3. **S AND Y INDUSTRIES FURNISHED MATERIALS.** All materials furnished by S and Y Industries, including prints/schematics, tooling, etc. are to be returned with the product upon completion of the order, if stated in the purchase order.
4. **SUBCONTRACTING/APPROVED SUPPLIERS.** Any S and Y Industries supplier may subcontract S and Y Industries' work to another supplier provided that S and Y Industries is provided with the same rights and protection as contained in the Right of Entry clause. Prior to subcontracting, S and Y Industries must be contacted for approval. Suppliers may only use approved suppliers of S and Y Industries and its customers. All applicable requirements in the Purchase Order must be flowed down to the sub-tier suppliers including key characteristics where required.
5. **RIGHT OF ENTRY.** Supplier shall allow S and Y Industries representatives, S and Y Industries customers, and regulatory agencies right of entry into the supply chain to determine and verify product, process, records, personnel, material, procedures and systems.
6. **QUALITY.** Supplier shall provide and maintain an inspection system which will assure that all delivered products conform to Purchase Order requirements, whether manufactured or processed by the supplier or a sub-tier supplier. Supplier shall maintain controls and perform all inspections and tests required to substantiate product conformance to drawings, specifications and other Purchase Order requirements. Unless otherwise specified in the Purchase Order, all drawings, specifications and other requirements are of the current revision as of the date of the Purchase Order.
7. **TEST SPECIMENS.** When deemed necessary, S and Y reserves the right to request a test specimen for product approval, inspection, investigation, or auditing.
8. **FOREIGN OBJECT DAMAGE.** Supplier shall control/prevent foreign object damage or contamination during manufacture, assembly, inspection and/or shipment.
9. **RECORDS/*TRACEABILITY.*** The Supplier shall maintain records of work performed for S and Y Industries. Records shall include the certificate provided to S and Y Industries as well as all records that substantiate the certificate *and/or provide sufficient traceability to align your product or component with the manufacturer.* These records shall be maintained in any format for a minimum of ten (10) years.

10. **NON-CONFORMING MATERIAL.** Supplier must notify S and Y Industries of any nonconforming product and make arrangements for approval to submit nonconforming product.
  11. **CERTIFICATIONS.** Supplier must ensure that individual parameters within a given specification have been met. Certifications must reflect that all applicable manufacturing and process specifications called for on the engineering drawing have been met. The specifications must be listed on the certification in proper sequence. All shipments require a Certificate of Compliance and all COC's shall be traceable to the original manufacturer.
  12. **FIRST ARTICLE INSPECTION.** If required by S and Y Industries on the Purchase Order, first article inspections are to be recorded on form AS9102, current revision. Any other format used must be compliant with AS9102 and approved by S and Y Industries prior to use.
  13. **CALIBRATION SERVICES ONLY.** Calibration of inspection and test equipment shall be conducted on a regular basis and traceable to National Institute of Standards and Technology (NIST) or other national or international standards. Records of these calibrations shall be documented and retained.
  14. **COUNTERFEIT PARTS.** It is the responsibility of the supplier to maintain a process that provides for the awareness, identification and dispositioning of counterfeit parts, whether suspect or realized. It is anticipated that this responsibility will be flowed down to sub-tiers as well.
  15. **TRAINING/COMPETENCE.** Where deemed necessary, S and Y reserves the right to require proof of training of personnel where special processes may be involved such as soldering, welding, extrusions, etc..... Training or personnel awareness may also be required where product quality, product safety or ethical behavior may be compromised.
  16. ***NOTIFICATION OF CHANGES.*** *As applicable, the supplier shall notify S and Y of changes in the purchased product prior to implementation of any changes that affect the ability of the purchase product to meet specified purchase requirements.*
  17. ***CONFLICT MINERALS PROGRAM.*** *In accordance with the Dodd-Frank Wall Street reform and Consumer Protection Act, Section 1502, publicly traded companies must report annually to the SEC the presence of "conflict minerals" originating from Central Africa in either the products they manufacture or contract to manufacture, or use in the production process. S and Y has a limited number of customers who require us to meet the requirements of the Consumer Protection Act, Section 1502 and we now require certain vendors to be compliant as well. This policy is designed to support our government in its efforts to eliminate human rights violations and unconscionable environmental acts that have been conducted by foreign parties. This policy applies to all S and Y distributors. Where parts are affected and we order directly from the factory, those manufacturers will be notified directly.*
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**Questions or concerns, contact:  
Purchasing Department  
(620) 221-4001**