



Admiral Metals

Supplier Requirements and Purchase Order Terms

I. Scope

- a. The 'requirements and terms' within this document are applicable to first-tier 'suppliers' of material and/ or material related services intended as inputs for 'Admiral' Metals salable final product(s), as well as any applicable sub-tier suppliers.
- b. The requirements and terms listed herein shall be relayed by the supplier to all applicable sub-tier suppliers.
- c. Applicability is assigned only to any sub-tier supplier providing a component, product, or service of which Admiral is the intended or eventual recipient.

II. Acceptance of requirements and terms

- a. Acceptance of the Admiral purchase order ('PO'), and/ or Admirals receipt of deliverables (including materials or services provided) shall confirm supplier acceptance and adherence to all requirements and terms herein.
- b. A formal request to deviate from, and/ or take exception to any requirement or term herein must be itemized and submitted to Admirals VP of Purchasing (or their designee) for approval; approval may be granted one time, for the duration of the PO, or indefinitely.
- c. Verbal approval to deviate from, and / or take exception to any requirement or term herein is not permitted, as such approvals are subject to the record retention requirements described in section ___ of this document.

III. Supplier Quality and Operations

- a. Quality Management System (QMS): Suppliers shall implement and maintain an adequate and effective QMS, preferably certified to ISO9001 or better. If applicable, any changes to the suppliers certification status shall be communicated to Admiral as soon as possible, not to exceed 14 calendar days from the date of the change, and before the acceptance of any Admiral POs submitted thereafter.
- b. Management of Change: Changes to supplier key processes must be communicated if the change creates the potential to negatively impact any aspect of service to Admiral.
- c. Conformity of product: The supplier is responsible for validating the conformity of all products and / or services supplied to Admiral. Conformity of products and / or services includes, in part: verification of acceptance criteria for: chemical composition, mechanical properties, size and tolerance, and if applicable surface condition, straightness, concentricity/ out-of-roundness, and / or any other requirement per the PO or applicable material spec. The supplier will also verify the correctness, completeness, and legibility of MTRs, certifications, tags and labels, and any other required information accompanying the product or service.
- d. Inspection: The supplier shall implement and maintain a suitable inspection process, which shall include a statistically adequate sample size used to determine the conformity of the product or service.

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- e. Calibration: The supplier shall implement and maintain a calibration program traceable to NIST or equivalent for all equipment used to determine product or material conformity. Additionally, this process shall include the means to trace product or material back to the instrument used to verify acceptance.
- f. Prevention of counterfeit parts or material: The supplier shall utilize an effective process for the detection and prevention of counterfeit parts or materials. The supplier shall notify Admiral immediately upon discovery if it is suspected counterfeit or incorrect parts or materials have been released to Admiral at any point in time.
- g. Product preservation: The supplier shall protect the product and/or material being serviced from: improper handling, inadequate packaging, damage, contamination by foreign objects or debris (FOD), the impact of environmental factors both in storage and transit, and / or a loss of positive identification and / or traceability.
- h. Traceability: All products or materials supplied to Admiral must be securely labeled with positive identification information. Each item or bundled / boxed item shall be labeled with, at a minimum: alloy (and if applicable temper), size, and heat and / or melt lot number(s). If the product or material supplied to Admiral originated from a sub-tier supplier, the origin and all subsequent transfers shall be fully traceable and recorded on supporting documentation. Supporting documentation shall be supplied to Admiral in addition to any other required deliverables before or at Admirals receipt of the product or material (including serviced material).
- i. Code of Conduct: The supplier shall ensure all employees or agents acting on behalf of the supplier understand: their impact and how they contribute to the quality, conformity, and safety of products and / or services, as well as the importance of ethical behavior.
- j. Right of Entry: Admiral maintains right of entry to the supplier's facilities as well as sub-tier supplier facilities; right of entry extends to Admirals customers, regulatory or certification bodies, and / or any relevant interested party that expresses a legitimate need for entry. All applicable supplier location changes shall be communicated to Admiral as soon as possible, not to exceed 14 calendar days thereafter.
- k. Product or material information: The supplier shall ensure material certifications state the country of origin and if applicable the country of melt or manufacture. Additionally, the supplier shall disclose the incorporation of any controlled, monitored or hazardous chemicals or substances in the production of the product or material. The supplier shall provide safety data sheets (SDS) upon request.
- l. Supplier Material declarations: If applicable to the product or material, the supplier shall provide a formal statement indicating either compliance or non-compliance for each of the following: REACH, RoHS, and Conflict Minerals. The supplier shall notify Admiral immediately if these statements change or expire, and provide a revised document if applicable.

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- m. Record control and retention: Suppliers shall keep any information obtained from Admiral confidential within the suppliers organization, unless Admiral explicitly approves or requests this information to be shared. All records pertaining to the products or services sold to Admiral shall be maintained and retrievable for a period of no less than 10 years. Disposal method shall be assured destruction of records upon the expiry of the retention period.
- n. Supplier legal and regulatory compliance: The supplier shall be cognizant of and comply with all legal and regulatory codes and / or requirements pertinent to the production and sale of products or materials to Admiral; such codes and / or requirements include but are not limited to ITAR, EAR, OSHA, and the EPA.
- o. Acceptance and rejection of products or services received: Admiral may accept or reject material at incoming, in process, or final inspection, based upon the criteria set forth by Admirals approved supplier sampling plan, the statistical techniques sampling plan, and / or the requirements set forth by industry standards and / or customer requirements. Admiral reserves the right to reject material at any time if it is believed the defect originated during the production of the product or material, at the supplier's facility, or any time prior to ownership being transferred to Admiral. All other defects may be rejectable for a period of time, within reason and germane to the defect observed, no less than 180 days from receipt. In the event Admiral notifies the supplier of a formal rejection, and the supplier fails to respond appropriately within 30 days, Admiral reserves the right to debit the supplier the original cost of the product or service, which shall be returned to the supplier at their expense.

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