



# ROUSH YATES MANUFACTURING SOLUTIONS

  

## SUPPLIER MANUAL



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**Purpose:**

To define Roush Yates Manufacturing Solutions requirements for items or services procured from suppliers by RYMS for use in the manufacturing, special services, or repair of products.

**Scope.** This document applies to suppliers that provide any products or services that affect the final product and end use. These requirements are in addition to standard terms and conditions as listed on RYMS Purchase Orders.

**Nondisclosure Agreement (NDA).** All suppliers of raw material, treatments and processes must have a nondisclosure agreement on file prior to performing services.

**Supplier Flow Down Requirements.** Supplier requirements can be found on the RYMS Purchase Order and at the RYMS website <https://roushyatesmfg.com>. All requirements must be reviewed and understood prior to acceptance of the RYMS Purchase Order. All Flow down requirements include a Suppliers Subcontracted or Third-party service providers.

**Acceptance of Purchase Order Terms and Conditions.** Acknowledgment of any order, shipment of any goods, or rendering of any services pursuant to a Purchase Order shall be deemed an acceptance of RYMS terms and conditions listed on the Purchase Order.

**Contract Changes.** By written order at any time, RYMS has the right to make changes within the general scope of the Purchase Order contract. RYMS reserves the right to obtain an updated quote for the cost impact that any change may incur prior to the affected change. If such changes cause a need for price modification or will adversely impact delivery due dates, equitable adjustments shall be negotiated, and the contract shall be modified in writing accordingly. Suppliers shall proceed to perform the contract as changed after approved modification. Any claim by supplier for adjustment under this clause must be asserted within 20 days from the date of receipt by the Supplier or within such further period as RYMS may allow. Where the cost of property made obsolete or excess as the result of a change is included in Supplier's claim for adjustment, RYMS shall have the right to prescribe the manner of disposition of such property. Nothing in this clause shall excuse supplier from proceeding with the contract as changed.

**Supplier Change in Process.** The supplier shall inform RYMS prior to the start of services if a change in process, products, service, or location will occur for the requested services that is different than the specifications listed on the PO, or historically performed by the supplier for Roush Yates. RYMS written approval is required.

### **Cancellation:**

RYMS may cancel a Purchase Order and Supplier's performance hereunder immediately without incurring liability to supplier immediately upon:

- I. supplier's insolvency.
- II. filing of a voluntary petition in bankruptcy by supplier.
- III. filing of an involuntary petition in bankruptcy against Supplier.
- IV. appointment of a receiver or trustee for Supplier.
- V. execution or assignment for the benefit of creditors by Supplier; or
- VI. any comparable event, and upon thirty days' written notice to Supplier in the event of Supplier's breach of contract or failure to perform.

**Governing and Compliance with the Law.** The Purchase Order and this contract shall be governed and construed under the laws of the state of North Carolina and the United States of America. This includes laws and restrictions applicable to DFARS, ITAR, and EAR. These requirements must be followed.

Suppliers are expected to operate under all regulatory and statutory laws. Supplier shall comply with all applicable provisions of Federal, State, and Local laws and ordinances; all lawful orders of FAA, DOT and other transportation regulations, Hazard Communication Standards promulgated pursuant to the Occupational Health and Safety Act (OSHA).

Supplier shall control the dissemination of and access to technical data, information and other items received under this Contract in accordance with U.S. export control laws and regulations.

Such laws are incorporated by reference as if set forth at length herein. It is supplier's responsibility to identify, locate, review, understand and ensure compliance with the latest revision of any law.

Supplier submission of a proposal and/or acceptance of the Purchase Order is considered supplier's certification of compliance with law.

**Conflict Material Policy.** RYMS only purchases raw materials from approved Suppliers. As a consumer of material produced by our Suppliers, RYMS requires our Suppliers to certify compliance with the Security and Exchange as directed by Section 1502 of the Dodd Frank Act of 2010. RYMS performs due diligence with our Suppliers in the form of our Supplier surveys and audits to confirm that they do not purchase conflict materials or materials from conflict countries. We will continue to monitor the Suppliers and the materials we purchase to be compliant with this policy. Any material found subject that was supplied from a conflict country, will immediately be quarantined for return to the Supplier and recall all lots of material in the marketplace for return for credit and/or replacement. Reoccurrence of conflict material will warrant the Suppliers status removed as an RYMS Approved Suppliers.

**Insurance Requirements.** Supplier represents that it has and will maintain the following types of insurance to adequately perform its general business operations. Workers compensations insurance, general products liability insurance, automobile public liability insurance.

### **Quality Management System:**

While executing this contract, unless otherwise specified in the body of the Purchase Order, supplier is responsible for implementing and maintaining on-going compliance with requirements of the current revision of the Quality Management System standard listed below, as applicable given the supplier's activities and design authority for the type of product, process or service provided to Buyer. Current revision of ISO 9001 or AS9100 is the applicable Quality Management System standard for any supplier that is not specifically authorized by Buyer.

**Certificates of Conformance and/ or Analysis (CofC / CofA).** Compliance with MIL, NAS, NASM and industry standards. Unless otherwise specified, a certificate of conformance must be supplied for products or services supplied that clearly states that the product or services meet the requirements on the Purchase Order and this manual, including listing all specifications and providing traceability back to the original source for all procured items. Raw material suppliers must be able to verify an internal review or incoming inspection of material and its' compliance with applicable specifications referenced on the mill cert. All material or process certifications shall be supplied with a CofC or CofA where applicable. The CofC must either be a stand-alone document or could be included on the packing list. It must show the signature (physical or electronic) of a person authorized to sign the CofC and a date.

**Counterfeit Parts and Services.** Supplier will ensure that no counterfeit component or services shall be submitted to RYMS. "Counterfeit component or service" is defined as a product produced or altered to resemble a product without authority or right to do so, with the intent to mislead or defraud by presenting the imitation as original or genuine. If specified, all requested components or services shall conform to the industry standard requested i.e., MIL, NAS, NASM, SAE or like standard.

Any known or 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 or provision of material under this purchase order may be punishable in accordance with applicable legal statutes under the jurisdiction of the state of North Carolina and/or the United States of America.

**Part Obsolescence.** The vendor will notify RYMS immediately of any process or material that has a planned obsolescence or as soon as notification is received that a part RYMS purchases will be phased out of production. For contracts with a DX or DO rating, the vendor will make every attempt to supply RYMS with the number or parts required to fulfill the remainder of the RYMS contract with their customer. If unable to do so, the vendor, RYMS, and their customer shall negotiate to determine when the alternate part number will be phased in.

**Foreign Object Debris (FOD).** Supplier must have a FOD prevention program implemented to control debris. Product must be cleaned and inspected by Suppliers to guaranty product is FOD free when arriving at RYMS.

**Nonconforming Product.** Suppliers are required to have a system in place for the detection, identification, and segregation of nonconforming product and/or material. RYMS requires immediate notification of nonconformance. Suppliers must have RYMS authorization prior to rework or deposition of nonconforming product and/or material. Sorting charges will be subject to the Suppliers as payment responsibility.

**Corrective Actions:** In response to buyer initiated corrective action requests (SCAR), the seller shall advise the buyer of action taken to correct the reported non-conformances on supplier corrective action request form furnished by buyer. Such requests require timely responses. See Non-conforming product section for additional requirements.

**Coating Suppliers.** Coating suppliers are responsible for notifying RYMS of any potential racking or process issues that would affect the ability of the supplier to perform the requested service. RYMS expects all surfaces to be coated free from defects.

**Handling, Packaging and Shipping.** Suppliers shall conform to RYMS handling, packaging, and shipping requirements as listed on the website <https://roushyatesmfg.com>. **No part-to-part contact is acceptable.**

Please refer to:

- SS 001 Supplier Specification Centerless Grind and Superfinishing
- SS 003 Supplier Shipping and Handling Requirements

**Record Retention:** Unless otherwise specified in the purchase order, seller records shall be maintained for a period of ten (10) years from the date of delivery. As a minimum, these records shall consist of inspection and test results and data, certifications, lot control data, physical and NDT test data and other records for traceability, processes, etc. All records that are beyond the ten (10) year date, shall be returned to RYMS, or suitably destroyed/shredded, as approved by RYMS upon notification of records. The supplier agrees to transmit to RYMS, those records kept in support of RYMS work, in event that the supplier discontinues business operations, or if RYMS has discontinued contracted business with the supplier.

**Personnel Qualification:** Supplier shall provide adequate training and certification to persons performing work to provide products and services to RYMS Purchase Order.

**Supplier Employee Contribution.** The supplier shall ensure that their employees understand their contribution to product safety, product or service conformity and the importance of ethical behavior.

**Supplier Performance Rating:** RYMS expects suppliers to perform within the parameters set by expectation of our customers. To this extent, supplier performance will be monitored for on-

time delivery and product quality on a regular/annual basis using RYMS supplier evaluation form. Rating will take into consideration vendor response to any SCAR (Supplier Corrective Action Response) issued to a supplier by RYMS.

**Inspection of Product:** Supplier shall conduct inspection/testing of products and services under the purchase orders to ensure that all requirements are accounted for and verified for compliance. See below for definition of inspection frequency requirements:

- a) Unless otherwise specified on the purchase order or as stated in the exemptions below, supplier's inspection requirements/frequency to be General inspection Level II with AQL .015 per ANSI ASQ Z1.4. Inspection applies to all dimensions listed on the provided drawing, unless drawing or purchase order indicates a more frequent inspection. Requirement does not apply to reference dimension(s) listed on the drawing.
- b) All plating, finishing and surface treatment purchase orders require 100% visual inspection to the specification requirement defined on the purchase order.
- c) AS9102 FAIR is required if specified on the purchase order, supplier AS9102 form is acceptable if it meets the requirements and content of AS9102 current revision and has been approved by RYMS prior to submission.
- d) **COTS** items require supplier certification only of parts number, unless otherwise required by the purchase order.

### **Right of Access**

RYMS has the right to inspect a Supplier's facility at any time there is warranted cause(s) to confirm compliance of all Safety, Products, Processes, Governing and Compliance with the Law, Certifications, and all other adherence to the requirements in this manual.

**Supplier Audit Access.** Supplier agrees to allow RYMS access to supplier records as related to RYMS orders for the purpose of supplier evaluation, assessment, and approval. RYMS to provide a minimum of 30 calendar days' notice for intent to audit, unless audit is related to supplier providing non-conforming product to RYMS under contract or purchase order. (See Nonconforming Product)

**Approved Supplier Review and Loss of Status.** RYMS periodically reviews the supplier performance for safety, price, delivery, and quality. If a Supplier does not meet RYMS minimum performance requirements, the supplier will be removed from the approved supplier list. Based on cause, Suppliers can return only subject to audits and elevated monitoring requirements prior to reapproval.

### **RYMS Safety Policy**

It is the policy of Roush Yates Manufacturing Solutions to provide products and services that recognize a sincere and proper regard for product safety. RYMS, in its efforts to ensure product safety, shall:

- ❖ Meet or exceed all State, Federal regulatory and industry safety requirements.

- ❖ Apply all our AS9100 safety policies and procedures.
- ❖ Manufacture using processes and methods that reduce the risk for unsafe results in product completion.
- ❖ Handle and package all products in process to ensure our products are safe from damage, corrosion, and defects.
- ❖ Ensure Foreign Object Debris (FOD) does not come in contact with parts during processes, as it could potentially cause harm or affect the functionality of the parts.
- ❖ Ship all parts in properly protected packaging to ensure products are delivered to our customers in conditions that meet their expectations.
- ❖ Periodically review this policy to ensure we are meeting its intent.

## Business Ethics and Conflicts of Interest

- ❖ Vendors are expected to use good judgment, adhere to high ethical standards, and avoid situations that create an actual or perceived conflict between their personal interests and those of the organization. Roush Yates Engines needs to know that the transactions vendors participate in are ethical and within the law, both in letter and in spirit.
- ❖ Roush Yates Engines recognizes that different organizations have different codes of ethics. However, just because a certain action may be acceptable by others outside of our company as “standard practice,” that is by no means sufficient reason to assume that such practice is acceptable at our organization. There is no way to develop a comprehensive, detailed set of rules to cover every business situation. The tenets in this policy outline some basic guidelines for ethical behavior at Roush Yates Engines. Whenever employees are in doubt, they should consult with their manager.
- ❖ Conflicts of interest or unethical behavior may take many forms including but not limited to the acceptance of gifts from competitors, vendors, potential vendors, or customers of the organization. Gifts may only be accepted if they have a retail value of \$100.00 or less and only on appropriate occasions (for example, a holiday gift). Employees are required to report the receipt of such gifts to the Controller. Employees are cautioned not to accept any form of remuneration or entertainment that is not related to business, nor may employees sell to third parties any information, products, or materials acquired from the organization. Employees may engage in outside business activities provided such activities do not adversely affect the organization or the employee’s job performance and the employee does not work for a competitor, vendor, or customer. Employees are prohibited from engaging in financial participation, outside employment, or any other business undertaking that is competitive with or prejudicial to the best interests of Roush Yates Engines. Employees may not use proprietary and/or confidential information for personal gain or to the detriment of the Company and they are not permitted to use Company assets or labor for personal use.
- ❖ If an employee or someone with whom the employee has a close personal relationship has a financial or employment relationship with a competitor, vendor, potential vendor, or customer of the organization, the employee must disclose this fact in writing to Human Resources. The organization will determine what course of action must be taken to resolve any conflict it believes may exist. If the conflict is severe enough, Roush Yates Engines may be forced to ask the employee to tender his/her resignation. Roush Yates Engines has sole discretion to determine whether such a conflict of interest exists.



- ❖ Employees are encouraged to seek assistance from their managers with any legal or ethical concerns. However, Roush Yates Engines realizes this may not always be possible.

**Record of Revision:**

Revision Date	Change Description	Page
2/28/2018	Additional "Conflict Material Policy" added	4
3/28/2018	Product Safety Policy	6
3/28/2018	Ethical Behavior Policy	6
4/26/2018	Added supplier verification statement	5
3/12/2020	Reworded ethics section	7
5/12/2021	Added Sections for the following: <ul style="list-style-type: none"> <li>- Under Quality Management System – Record Retention, Corrective Action, Personnel Qualification, Supplier Performance Rating, Inspection of Product</li> <li>- Under Right of Access – Supplier Audit Access</li> <li>- Moved Supplier Employee Contribution to Quality Management System section</li> <li>- Updated Nonconforming Products to add content requiring RYMS approval prior to supplier shipment of nonconforming product.</li> <li>- Updated AS9100 certification registrar from AR to NSF</li> </ul>	8
5/2/2022	Added statement of jurisdiction to Counterfeit Parts section. Added NSF mark for ISO13485 to cover page.	5
5/23/2022	Added section for part obsolescence	5