



General Quality Terms & Conditions

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1.0 Scope

1.1 This procedure defines the general responsibilities and activities mandated by NN, Inc. for suppliers whom are issued purchase orders for materials or services that can influence product quality.

2.0 Definitions

Term	Definition
Vendors / Suppliers	One who provides a product or service that has a direct effect on product quality.
FOD	Foreign Object Debris or Damage
DRC	Democratic Republic of the Congo

3.0 Records

Name	Number
Purchase Order	N/A

4.0 Responsibility

4.1 Products/Materials/Services shall conform to the requirements as shown on applicable purchase orders.

4.1.1 Vendor shall be responsible for notifying NN, Inc. as soon as any variation to ordering data requirements are known. Products that do not adhere to the purchase order request shall be quarantined until appropriate instructions are provided by NN, Inc.

4.2 Traceability of product shall be maintained.

4.2.1 Product shall be identified in accordance with applicable drawings, specification or instructions as flowed on the applicable purchase order.

4.2.2 Vendor shall be responsible for notifying NN, Inc. as soon as any variation to product traceability is known. Products with suspect traceability shall be quarantined until appropriate instructions are provided by NN, Inc.

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- 4.3** If a First Article Inspection is a requirement
- 4.3.1** The vendor shall be notified via purchase order instructions. The vendor is required to perform the required First Article Inspection in accordance with the AS9102 standard (latest revision) and any additional instructions required per NN, Inc. purchase order.
- 4.4** Inspection reports shall list the actual dimensions for measured characteristics on each part.
- 4.4.1** Any/all nonconformance shall be identified on the final inspection reports.
- 4.5** Certifications shall include the following, at a minimum:
- 4.5.1** The signature of the person responsible for declaring conformance.
- 4.5.2** Part number, revision level, quantity, process, purchase order number, and any other applicable requirement per purchase order.
- 4.5.3** A positive conformance statement is required. Verbiage of uncertainty or doubtfulness are not acceptable.
- 4.6** Packaging of parts shall be per best effort, best workmanship, purchase order instruction, or customer requirements to protection against damage during shipment.
- 4.7** Parts must be processed in the purchase order issued facility only, and are not to be subcontracted without NN, Inc approval.
- 4.7.1** Each facility is subject to NN, Inc. quality review and approval process.
- 4.7.2** Significant changes to either Quality System, facility, management or processing shall be reported to NN, Inc. Purchasing and/or Quality.
- 4.8** Measuring tools shall be calibrated per a defined procedure and calibration records shall be made available upon request.

5.0 Order of Precedence

- 5.1** Purchase Order (including any/all attached terms and conditions (QATC))
- 5.2** NN, Inc. supplied drawings, blueprints, models.
- 5.3** Specifications

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- 5.3.1 Any conflicts identified must be resolved with NN, Inc. Purchasing, before proceeding with any purchase order.
- 5.3.2 Work in process may be subject to review and/or inspection by NN, Inc., Customer, Government or other Regulatory personnel at any time prior to shipment from the vendor's facility. The vendor will be notified by NN, Inc. when visits are required.
- 5.3.3 Right of access shall apply to NN, Inc., Government, or other Regulatory personnel at any time.
- 5.3.4 All quality records shall be kept for a minimum of 7 years unless otherwise specified.
 - 5.3.4.1 Upon expiration of retention period, NN, Inc. shall be provided the option to obtain records prior to destruction.
 - 5.3.4.2 All proprietary, private, patented, protected information may be redacted where necessary.

6.0 Foreign Object and Counterfeit Protection

- 6.1 Suppliers shall ensure that counterfeit work is not delivered to NN, Inc. or entered into the work stream by ensuring adequate controls are in place for prevention.
- 6.2 Suppliers shall ensure that Foreign Object Damage (FOD) is not delivered to NN, Inc. or entered into the work stream by ensuring adequate controls are in place for prevention.
- 6.3 Any suspect Counterfeit or FOD violation shall be immediately communicated to the NN, Inc. Purchasing or Quality Departments.
 - 6.3.1 When applicable, suspect material shall be segregated and quarantined until instructions have been provided by NN, Inc.

7.0 Nonconforming Products

- 7.1 All non-conformances must be transmitted to NN, Inc. Purchasing and/or Quality. Products that do not adhere to the purchase order requirements shall be quarantined until appropriate instructions are provided by NN, Inc.
 - 7.1.1 The non-conformance shall include a cause and corrective action for each occurrence.

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7.1.2 The corrective action shall address the root cause of the non-conformance and should be constructed to prevent future recurrence.

7.2 NN, Inc. reserves the right to audit and review the implementation of all supplier corrective actions.

7.3 Any/all nonconformance shall be identified on the product's final inspection reports or certifications.

7.4 Nonconforming products must be clearly identified and shall be in accordance with NN, Inc. instructions, when applicable.

8.0 Conflict Minerals

8.1 Suppliers are expected to abide by the United States Securities and Exchange Commission rule regarding the sourcing of conflict minerals in assuring that materials are "DRC Conflict-Free".

8.1.1 Suppliers, where appropriate to their production, are expected to adopt policies, procedures and management systems to establish a program to ensure conflict free materials throughout their supply chain.

8.1.2 The supplier is responsible for researching the United States Securities and Exchange Commission rules and regulations in regards to DRC Conflict-Free material.

8.2 DRC Conflict-Free materials shall be free from elements such as Tantalum, Tin, Tungsten, and Gold.

8.2.1 If product is supplied that does contain these elements, the elements must originate from outside the designated DRC countries.

8.3 In the event, that the supplier is deficient or fails to cooperate in the implementation of DRC Conflict-Free materials, NN, Inc. reserves the right to take appropriate action and discontinue purchasing and or working with the supplier.

9.0 Fraud or Falsification

9.1 The vendor shall contact NN, Inc within 48 hrs if they have discovered that a fraudulent act or falsification to a product, process or document has been committed.

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9.1.1 Once detected, a full investigation must be performed and provided to NN, Inc. with full disclosure of the incident.

9.1.2 All NN, Inc. products shall be quarantined upon discovery and held until instructed. No further processing is permitted of any NN, Inc. product until properly notified.

10.0 Revision History

Rev	Revision History	Signing Authorities	Signature	Date
New	Original Issue	Quality Manager		3/30/2020
A	DCN 2021-3	Quality Manager		7/08/2021

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