



# FERRY MACHINE CORPORATION

75 INDUSTRIAL AVENUE, LITTLE FERRY, NEW JERSEY 07643 PHONE: 201-641 9191 FAX: 201-641-7320

## SUPPLIER QUALITY AGREEMENT

### **1. General**

This Supplier Quality Agreement (“Agreement”) by and between Ferry Machine Corporation (“FMC”) and the company name and address as listed on FMC Purchase Order is entered into as of Purchase Order acceptance and will remain in effect indefinitely in relation and to the extent of provided product and/or services. A violation by Supplier of this Agreement may result in removal from FMC Approved Supplier List (“ASL”) and may justify legal action and/or equitable relief.

### **2. Confidentiality**

Supplier recognizes that FMC has and will have information regarding the Product design, Technical Matters, Trade Secrets, Customer Lists, Business Affairs, Proprietary prints, provided products, materials and business information along with other vital items (collectively, “Information”) which are valuable, special and unique assets of FMC and/or its respectful customers. Supplier agrees not to at any time or in any manner, either directly or indirectly, divulge, disclose, or communicate any provided Information to any third party without the prior written consent of FMC. Supplier will protect the Information and treat it as strictly confidential at all times.

### **3. Changes to Supplier Processes or Materials:**

Supplier shall notify the FMC via written correspondence of any process changes prior to implementation of the proposed changes. These include changes to production processes, manufacturing materials, manufacturing location, equipment, in source or out- source product or services associated with FMC product and or services. Supplier will document proposed changes request and send via email to FMC for evaluation and approval. Supplier must obtain written approval from FMC before implementing such change.

### **4. Audit/Right of Entry:**

With proper notification, Supplier will allow FMC and/or third parties assigned by FMC to perform audit of its facilities, processes, records in connection with the services/product provided. If corrective actions are needed, supplier agrees to provide corrective and preventive action as contractually required and/or mutually agreed upon.

### **5. Quality Policy:**

FMC’s Quality Policy (posted on [www.ferrymachine.com](http://www.ferrymachine.com)) is to be used as guidance to external suppliers.

### **6. Other Requirements:**

- **Service/Product Requirements** will be communicated via Purchase Order.
- **Communication:** Refer to Purchase Order for Buyer’s contact information.
- **Competency:** Where applicable, Supplier may need to demonstrate its personnel competence to perform task(s) to fulfill Purchase Order requirements. Such requirement will be stated on the Purchase Order.
- **Process Capability/Control:** Where applicable, Supplier may need to demonstrate its process is capable and control adequate to consistently meet Purchase Order requirements. Such requirement will be stated on the Purchase Order.
- **Performance:** Expectation of perfect On-Time Delivery and Quality will be monitored, measured against established target and communicated to Critical Suppliers and Suppliers whose performance need improvement.