

## AFAB Precision Machining PURCHASE ORDER QUALITY REQUIREMENTS

The following quality requirements apply to every purchase order issued by AFAB Precision Machining. Additional requirements may apply in accordance with our customers' requirements as stated on the actual purchase order. Should you have any questions or require clarification, it is your responsibility to contact us. By accepting the Purchase Order, you are acknowledging to comply with the following quality requirements.

1. **Right Of Entry** – You are required to grant AFAB Precision Machining, our customers and regulatory authorities access to applicable areas of your facility, and those of your sub-tiers involved in the fulfillment purchase orders and applicable records to ensure compliance with all applicable requirements.
2. **Revision Level** - All processing/service associated with AFAB Precision Machining purchase orders must be performed in accordance with the latest specification revision unless specifically requested.
3. **Nonconforming Product** – You are required to notify AFAB Precision Machining of any nonconforming product as result of your process/service. Nonconforming product must not be further processed without written authorization. Immediate notification must be made, of any process or product discrepancy discovered or suspected after delivery, in writing to prevent further processing and/or delivery of nonconforming product to AFAB Precision Machining's customer(s).
4. **Discrepancies** – You are required to notify AFAB Precision Machining when there is a discrepancy in piece count and/or any parts of our requirements are unclear.
5. **Process Changes** – You are required to notify AFAB Precision Machining if any quality requirements cannot be met as stated on the purchase order, or if any process changes are made (i.e. specification changes or later revisions, material substitution, etc.).
6. **Acceptance Requirements** – AFAB Precision Machining reserves the right to approve or specify any requirements for designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics.
7. **Test Specimens** – AFAB Precision Machining reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation or auditing.
8. **Sub-Tier Controls** – You are required to flow down all applicable purchase order requirements, including key characteristics, to sub-tier suppliers when applicable. AFAB Precision Machining must have previous knowledge and approval of all (sub-tier) suppliers used for our product.
9. **Documentation** – You are required to provide documented proof of processing and/or material traceability (process certification, mill report, physical and or chemical test results, etc.) with each and every shipment/order.
10. **Records** – You are required to retain process records, certifications and test reports for a minimum of 7 years unless another specific, documented agreement has been made. These records must be made available for review by request of AFAB Precision Machining, our customers and regulatory authorities in accordance with contract or regulatory requirements.
11. **Traceability** – Certificates of Conformance or Process Certifications must identify the Part Number, Revision or Issue, Purchase Order Number, Quality, AFAB Precision Machining Job Number, all relevant Specification with Revisions and Material Heat Number when known; contain the name, title, date, and signature of issuer.
12. **Handling** – Product must be handled, stored and packaged to prevent damage or deterioration.
13. **For Calibration Sources** – You are required to comply with the requirements of ANSI/NCSL Z540, ISO 10012 or ISO 17025. All certificate(s) of calibration must reflect compliance and include as-received calibration results.
14. **Foreign Material Source** – When required by contract, raw material must be certified as domestic from mill in a qualified country as listed on the Bilateral Airworthiness Agreement (BAA) and/or DFARS paragraphs 252.225-7014 ALT 1 and 225.872-1. See one of the following websites for complete listing of authorized countries:
  - BAA: [http://www.faa.gov/aircraft/air\\_cert/international/bilateral\\_agreements/baa\\_basa\\_listing/](http://www.faa.gov/aircraft/air_cert/international/bilateral_agreements/baa_basa_listing/)
  - DFAR: <http://www.acq.osd.mil/dpap/dars/dfarspgi/current/>
15. **Approved Process Suppliers** – Suppliers initially approved for use via ISO, AS or NADCAP certification must notify AFAB Precision Machining of any changes in approval status. You may have been delegated process and inspection authority to ensure all applicable process and material specifications are met and documented accordingly. You are required, upon request, to demonstrate and provide evidence of your process to planned results and establish arrangements for the process including:
  - Defined criteria for review and approval of the process (qualification and approval of special processes prior to use)
  - Approval of equipment and qualifications of personnel
  - Use of specific methods and procedures (control of the significant operations and parameters of special process in accordance with the documented process specifications and changes thereto)
  - Requirements for records
  - Revalidation
16. **Confidentiality** – You shall consider all information furnished by AFAB Precision Machining to be confidential (except that which is available to the public), shall not disclose and such information to any other person, or use such information itself for any other purpose other than performing its obligations under this purchase order, unless you obtain written permission from AFAB Precision Machining to do so. This paragraph shall apply to drawings, specifications, other documents, tooling designs and the like prepared by you for AFAB Precision Machining or furnished by AFAB Precision Machining in connection with this purchase order.

#### 17. Counterfeit Parts Prevention –

- The Supplier warrants that Counterfeit Parts shall not be supplied to AFAB Precision Machining or installed in AFAB Precision Machining products by the Supplier.
- Only new, unused, authentic, genuine and legitimate items shall be supplied to AFAB Precision Machining, unless otherwise specified.
- The Supplier may only purchase or source items directly from Original Component Manufacturers (OCM), OCM authorized (e.g., franchised) distributors or aftermarket manufacturers. Use, purchase, or the sourcing of items from non OCM authorized independent distributors or brokers, is not permitted unless first approved in writing by AFAB Precision Machining. The Supplier must present compelling support for its request to use such non OCM authorized suppliers for AFAB Precision Machining's approval (including, but not limited to, OCM documentation that authenticates supply chain traceability of the parts to the OCM) and include in its request all necessary actions it shall take to ensure those items thus procured are new, unused, authentic, genuine and legitimate items.
- The Supplier shall maintain a method of traceability that ensures tracking of the supply chain back to the manufacturer of all items included in the parts being supplied. This traceability method shall clearly identify the name and location of all supply chain intermediaries from the manufacturer to the direct source of each item for the Supplier and shall include the manufacturer's batch identification for the item, such as but not limited to, date codes, lot codes, serializations, or other batch identifications. Full supply chain traceability documentation includes but is not limited to OCM, Original Equipment Manufacturer (OEM) and authorized (e.g. franchised) Supplier certificates of conformity, purchase orders and test/inspection data and/or certificates. The Purchase Order shall specify any such additional documentation (other than as specified in this condition) required by AFAB Precision Machining.
- If Counterfeit Parts or Suspect Counterfeit Parts are supplied or furnished under the Purchase Order such parts shall be impounded. The Supplier shall promptly replace such parts with parts acceptable to AFAB Precision Machining and the Supplier shall be liable for all costs relating to impoundment, removal and replacement. AFAB Precision Machining may notify and turn Counterfeit Parts over to the relevant local or international Government authorities for investigation and AFAB Precision Machining reserves the right to withhold payment pending the results of such investigations.
- This condition applies in addition to any quality provision, Specification, Statement of Work or other provision included in the Purchase Order addressing the authenticity of supplies. To the extent that such provisions conflict with this condition, this condition shall prevail.
- The Supplier shall flow down these requirements contained in this condition to the Supplier's supply chain for any items that are intended for supply to AFAB Precision Machining.
- The Supplier shall inform its employees, contractors, workers and any other third parties (and shall ensure that they shall inform their employees, contractors, workers and other third parties) engaged in the performance of work under the Purchase Order in writing prior to performance of work that there is a risk of criminal penalties associated with any falsification, concealment, fraud or misrepresentation in connection with work performed or parts provided under the Purchase Order in the U.S. and other jurisdictions.
- The Supplier shall notify AFAB Precision Machining as soon as it becomes aware of any Counterfeit Parts or Suspected Counterfeit Parts which arise in relation to any parts provided to AFAB Precision Machining. Suppliers eligible for utilization of the Government-Industry Data Exchange Program ("GIDEP") shall utilize the GIDEP process to alert the industry to Counterfeit Parts or Suspected Counterfeit Parts.