

AM Technologies

PO TERMS AND CONDITIONS - QUALITY CLAUSES

Supplier Quality Clauses define the obligations of the supplier to ensure that the Products satisfy the Company and its Customers' quality and regulatory requirements.

The Supplier is to agree to and comply with the applicable procurement and quality clauses (terms and conditions) listed below. Supplier's initiation of work constitutes Supplier entering into an agreement with the company, which includes Supplier's compliance with the applicable clauses below and complete acceptance of the requirements stated in each Supplier PO.

Quality Clause #	Requirements
Q1	QUALITY SYSTEM REQUIREMENTS Supplier and its subcontractor(s), in the fulfillment of a Company-issued Purchase Order, agree to provide and maintain a quality system that is in conformance with ISO 9001, AS9100, AS9120 or the equivalent. Supplier agrees to inform the Company of any changes to Supplier's quality management system or certifications. This includes certification, re-certification, or withdrawals. If a Supplier has no third-party quality system certification, at minimum, the Supplier must meet all the quality requirements of this Quality Agreement. The buyer may refuse to accept materials and services delivered under a purchase order if the seller fails to comply with the herein or the purchase order Assigned Requirements. Supplier shall maintain a Calibration Program compliant to ANSI/NCSL Z540.3, ISO 17025, or ISO 10012-1, formerly MIL-STD-45662. All inspection equipment shall be calibrated against standards/instruments traceable to the National Institute of Standards and Technology (NIST).
Q2	CERTIFICATION OF CONFORMANCE Supplier agrees to sign and provide a certificate of conformance (the "Certificate of Conformance") for each shipment of Product confirming that all the materials, processes, and/or finished product supplied under that order are specified and conform to the Customer's drawing and drawing revision, workmanship standard(s), revision(s), and compliance to the Company-issued Purchase Order. Material certification is to include actual chemical and physical test reports from the lot represented per the specification indicated. Supplier agrees to comply with applicable Product environmental compliance standards (RoHS/REACH). Supplier agrees not to supply material for which they are not certified or approved. A certificate of conformance is required with each delivery lot/quantity.
Q3	RETENTION OF QUALITY RECORDS Supplier is required to maintain documentation pertaining to this order for a minimum of ten (10) years after delivery, unless otherwise directed by the Purchase Order. This documentation must remain on file & available for review by Company, our customer and/or a designated representative or responsible regulator agency for the specified period.
Q4	NOTIFICATION OF NONCONFORMING PRODUCT Supplier is required to notify Company if nonconforming product, which can't be reworked to specification, is produced. Supplier is to obtain Company approval of nonconforming product dispositions. Unapproved repairs or non-conformances that are shipped to Company are subject to rejection upon detection regardless of the levels of consumption within Company. If Company labor and/or materials are added prior to the detection & rejection, then the supplier &/or subcontractor agrees to reimburse Company for the full loss in value (i.e. the supplied material, component, or assembly; & added Company WIP labor as well as the added higher level material consumed during the WIP process which occurred prior to detection of the repair).

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Q5	IDENTIFICATION & TRACEABILITY Supplier agrees to identify each lot with a unique code number for each lot number of raw material and/or each batch of items processed together but separately from the total quantity of the order (i.e., plating batches, polishing batches). Supplier agrees to identify all hardware in accordance with drawing requirements, which include serial number, lot number or by a permanent part number, configuration, foundry identification and heat number, or by a traceable chemical, physical analysis and heat treat.
Q6	APPROVED SOURCES Supplier agrees to implement and maintain sub-tier supplier control. Control measures shall be sufficient to ensure that sub-tier suppliers' manufacture, package, label, test, and release of Products are consistent with this Quality Agreement.
Q7	RIGHT OF ENTRY The supplier shall allow Company, our customer and/or a designated representative or responsible regulator agency, access to any location, including sub-tier suppliers, where operations pursuant to a Company purchase order are being executed or where there are records stored applicable to product processed for Company.
Q8	FLOWDOWN REQUIREMENTS Supplier must pass on to their sub-tier suppliers all applicable Quality Terms & Conditions as well as any pertaining corrective actions requests, quality alert and/or nonconformance information.
Q9	PACKAGING Supplier shall package product for shipment in keeping with good commercial practice, unless otherwise instructed by Purchase Order requirements. Packaging shall be adequate to preclude damage, loss, or corrosion of product shipped. Supplier shall identify the outer container or pallet with the applicable PO#, Part # & Lot #. Shipper/pack slip is to be included with the order.
Q10	PRODUCT AND/OR PROCESS CHANGES The supplier is required to notify Company of any product or process changes which include but not limited to: sub-tier supplier, manufacturing location, substitute components or a change in processing that may have an effect on Company's product quality. Suppliers must obtain Company approval prior to implementation changes.
Q11	COUNTERFEIT PRODUCT / MATERIAL Supplier agrees to assure that all products provided to Company are genuine, and no counterfeit product shall be used or shipped. Supplier agrees to notify Company immediately if Supplier suspects or is aware of having furnished counterfeit goods; Supplier is to promptly replace the counterfeit parts with genuine parts. Supplying counterfeit goods to Company will hold the Supplier responsible for all costs associated with the replacement of said counterfeit parts.
Q12	MATERIAL SAFETY DATA SHEETS Material Safety Data Sheets (MSDS) shall be supplied with shipments of any product that contains polymers, solvents, reducers, adhesives or other materials prone to outgassing volatile organic compounds (VOC's).

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Q13	FINAL INSPECTION REQUIRED (This clause is applicable when it is clearly stated on a Supplier PO). Submit a Final Inspection Report (FIR) listing actual dimensions measured. The report must indicate: Total quantity, Sample size (please identify the sampling plan you are employing), Quantity accepted Quantity rejected, Signature, initials or stamp of qualified company representative performing the inspection & the date the inspection was performed.
Q14	FIRST ARTICLE INSPECTION REQUIRED (This clause is applicable when it is clearly stated on a Supplier PO). Submit a complete First Article Inspection Report (FAIR) to the Company for inspection and approval prior to proceeding with any further processing and/or production. The FAIR shall include a fully processed sample, a formal dimensional report, complete certification, signature/initials/stamp of qualified company representative performing the inspection, and the date the inspection was performed. Items produced prior to the Company's approval shall be completely at the risk of Supplier.
Q15	SOURCE INSPECTION All items covered by this Purchase Order are subject to inspection at the supplier's facility by the Company, it's Customer or Government Agency prior to shipment. The supplier shall furnish, at no cost, acceptable facilities and equipment for the inspection. The supplier shall provide no less than forty-eight (48) hours advance notice to the Quality Representative to permit scheduling of source inspection for in-process inspections, Final inspections and/or Shipping inspections. Evidence of the completed source inspection shall accompany each shipment evidenced by the Inspector stamping and signing the supplier's shipping document.
Q16	PROPRIETARY AGREEMENT All drawings, specifications, technical information and electronic definition used in conjunction with purchase order are considered confidential and proprietary to the company and its customers. Unauthorized reproduction of media is not permitted in any form other than that intended to produce product and/or services directly associated with purchase order.
Q17	SUPPLIER ETHICAL BEHAVIOR The supplier shall ensure that their employees are aware of: a) Their contribution to product conformity; b) Their contribution to product safety; c) The importance of ethical behavior.
Q18	EXPORT / ITAR REGULATIONS Items, including any associated drawings or technical data, sent to the seller or to be delivered under this purchase order could be subject to U.S. Export Control laws and / or controlled by the U.S. International Traffic in Arms Regulations (ITAR) 22 CFR part 120-130. Items not specifically classified by Buyer on this purchase order as military items subject to ITAR control are assumed to be commercial items. Where seller maintains the design authority, Seller agrees to notify Buyer if any deliverable under this purchase order is a Defense Article within the meaning of the International Traffic in Arms Regulations, 22 CFR 120-130 (ITAR). Unless otherwise specified by Seller, Seller warrants that no deliverable supplied under the contract is a Defense Article as defined by CFR 120.6.

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Q19	COMBATING TRAFFICKING IN PERSONS (FAR 52.222-50) (DFAR 252.222-7007): The supplier shall notify its employees and agents of the U.S. Government's policy regarding Combating Trafficking in Persons as described in 52.222-50(b), as well as those resulting actions that may be taken against employees or agents for violations of this policy. The supplier shall implement the required compliance plan described in 52.222-50(h) to prevent any prohibited activities identified in 52.222-50(b) and to monitor, detect, and terminate the contract with any subcontractor(s) engaging in prohibited activities.
Q20	CYBER SECURITY COMPLIANCE (FAR 52.204-21) (DFAR 252.204-7009, 252.204- 7012): Cyber Security requirements involved in DoD contracts apply to organization's supplier purchase order.