



PURCHASE ORDER CLAUSES

"Seller" = Vendor, Supplier, Subcontractor, and/or Agents/Representatives

Buyer objects in advance to the inclusion of any additional or different terms proposed by *Seller* in acceptance or acknowledgment of purchase order. The inclusion of such terms by the *Seller* will be of no significance. Such terms will not be conditions or additional terms to the purchase order. Unless otherwise stated on the face of the purchase order, the following Quality Text Clauses shall apply. These Quality Text Clauses will vary and will be specifically called out in every purchase order issued to you. Their specifically assigned QC clause numbers (i.e., QC1, QC2, Q1, Q2) will reflect them.

QC1. PHYSICAL AND CHEMICAL TEST REPORTS

Seller shall supply one copy of physical and/or chemical test reports for each lot, batch or heat, whichever is applicable. *Seller* shall supply original mill certification with shipment of material specified on the purchase order. The report must show that material/parts delivered are acceptable and be shall be identifiable to the product being delivered. The heat number and material manufacturer must appear on the certification. All metal alloys shall require traceability to the original heat number, and shall comply with the current material specification revision in effect when melted. The heat number and material manufacturer must appear on the certification. Material converters are responsible for maintaining heat lot traceability and are prohibited from welding, brazing, or otherwise joining coils.

QC2. MATERIAL SAMPLE REQUIRED

Seller shall furnish AMD a material sample cut or molded from the same material as the product supplied. AMD or the material specification shall determine the size of the sample. For AMD, material samples supplied shall be cut per purchase order instructions. Note: The *Buyer's* Receiving Department will deem for rejection and subject to refusal shipments made by the *Seller* without samples. Similarly, if the sample does not pass its material specification tests, the product supplied shall be considered unacceptable and will be returned to the *Seller*.

QC3. INSPECTION REPORT

A completed copy of the Inspection Report must accompany each item specified on the purchase order. 100% Inspection is required with actual recorded results, for all characteristics on all parts to ensure conformance to drawing and specification requirements. A copy of this inspection record is required with the shipment of product.

QC4. INSPECTION AND CALIBRATION SYSTEM REQUIREMENTS

Seller shall maintain a documented quality system that complies with the requirements of government and/or industry quality system standards. Specifically, *Seller* shall maintain a documented calibration system in accordance with ISO 10012 and/or ANSI/NCSL Z540-1 and Boeing D1-9000 Section 1.11; and as a minimum, an inspection system compatible with the requirements of ISO 9002. *Seller's* quality system is subject to verification and approval at all times by AMD'S Quality Assurance Department.

QC5. CHANGES

Seller must and shall not make any changes to the processes or materials specified under the purchase order. *Seller* shall notify AMD in writing prior to any proposed changes to supplier controlled design, parts, materials, fabrication methods or processes, that may affect function, interchangeability or reliability of hardware delivered to AMD or of any changes to facility location, ownership or quality management following a quality survey /audit by AMD.



QC6. AGGREGATE QUANTITY SHIPMENT VARIANCES

Seller shall supply quantities for the net amount ordered. Any variance reflected on the purchase order must be approved by *Buyer's* appropriate purchasing representative prior to shipment. Unauthorized shipments received will be returned to *Seller* at his expense.

QC7. AMD INTERNATIONAL TECHNOLOGIES PRODUCTS SOURCE INSPECTION

AMD'S source inspection is required. Inspection shall be conducted at the *Seller's* facility and shall be requested and accomplished prior to shipment. When the items on the Purchase Order are ready for inspection, notify the *Buyer's* purchasing representative so that coverage can be arranged. Drawings, specifications and/or other pertinent data, as required by Purchase Order, shall be made available to the AMD Quality Representative, at the time of material presentation.

QC8. FAA/CUSTOMERS RIGHT OF ENTRY

Seller agrees that its facility, fabrication inspection system, methods and procedures are subject to the Federal Aviation Administration (FAA) or Government Agencies surveillance and investigation. All other AMD Customers reserve the right of entry into the plant to verify the quality of work and materials at any / all production stages, as well as compliance to procedures and specifications.

QC9. FIRST ARTICLE INSPECTION

A detailed first article inspection report is required. The report must be on equivalent AS9102 compliant documentation and must list all drawing characteristics. The report must include evidence of conformance to all elements including material and processes. Each drawing characteristic must be complete with the tolerance in an adjoining column. The measured condition must be recorded. The report must show AMD part number, revision and purchase order number. AMD must be notified in advance when the first article inspection is scheduled and reserves the right to witness the actual inspection or to require spot checks to verify the data. This first article will consist of one piece. This piece must be identified and packaged separately along with the report when shipped with the production parts.

QC10. RELATED REGULATORY REQUIREMENTS

The provisions of executive order 11246, as amended by executive order 11375 (Equal Employment Opportunity), 38 USC 4212 (Vietnam Era Veterans Readjustment Assistance Act), and Section 503 of the Rehabilitation Act of 1973 (Handicapped Regulations), implementing regulations found at 41 CFR 60-1 & 2, 41 CFR 60-250 and 41-CFR 60-741 are hereby incorporated by reference.

QC11. SPECIAL PROCESSES

Each special process, including, but not limited to: soldering, cleaning / etching or passivation, welding, brazing, plating / coating, heat treating, magnaforming / swaging, electro polishing, acid pickling, impregnating, bonding, glass sealing, shot peening, silkscreening, magnetic particle / penetrant or X-Ray or N-Ray inspections, when required by either a Government, ASTM, or other process specifications shall be performed by OEM approved suppliers only. A list of approved special processors will be provided when required and upon request by the *Seller*. Each shipment must include a report or certification of adequate data as to where the processing was accomplished, including name and address of processing source. When required, laboratory testing facilities used to verify compliance to special processing requirements must be duly accredited laboratories in accordance with Public Law 106-34, otherwise known as the Fastener Quality Act (FQA).



INTERNATIONAL TECHNOLOGIES

QC12. CERTIFICATE OF CONFORMANCE

Seller shall submit with each shipment a Certificate of Conformance stating that the items furnished AMD are in conformance to the Purchase Order/Drawing requirements applicable to the items delivered. Any recognized aerospace, military and/or industry standard, when imposed by the drawing, specification or Purchase Order must be specifically stated and form a part of the certification. *Seller* shall have on file all material, chemical and physical test reports and C of C's for processes performed by sub-tier suppliers and shall make these documentation available for review by AMD Representative upon request. As a minimum, each supplier and/or sub-tier certification must contain the following information: (a) Purchase Order Number (b) Lot Number (c) Quantity Shipped (d) Part Number (e) Name and address of the issuing the certification (f) The date of issue, and (g) Signature and title of the Seller's authorized representative.

QC13. SHELF LIFE ITEMS

Materials or articles having characteristics subject to degradation with age shall be marked in a manner to indicate the date of manufacture and expiration date in addition to standard identification requirements. Batch numbers and special storage or handling conditions shall be included when applicable. Material Safety Data Sheets (M.S.D.S.) must also be provided where there is a danger to health from material being purchased and when applicable.

QC14. PACKING/PACKAGING

Seller must ensure that all items shipped under this Purchase Order are adequately packed and/or packaged to prevent damage, contamination and/or deterioration. Unless otherwise specified on the Purchase Order, *Seller* must use best commercial practices in packaging to prevent damage, contamination and/or deterioration to all items during transit.

QC15. NONCONFORMING MATERIAL CONTROL & LATENT DEFECT NOTIFICATION

If non-conformances are detected during manufacturing or inspection, the supplier quality assurance personnel shall disposition the nonconformance in one of the following categories: **(a) Rework or completion of operations:** If the non-conformances are in this category, the articles shall be reworked, resubmitted to normal inspection and/or test operations and must meet all drawing specifications. **(b) Scrap:** If the article is dispositioned in accordance with the supplier procedures for controlling and disposition of scrap material. Replacements, if required, must be accompanied with the required test samples and certifications. **(c) Submit for AMD'S preliminary review:** Dispositions outside the above will require AMD'S preliminary review action. The supplier shall segregate and control the nonconforming material to assure no further work is accomplished on the discrepant item(s) until AMD'S preliminary review disposition is obtained. The supplier shall request AMD'S preliminary review action. The material must be held at the supplier facility pending direction from AMD. When AMD'S preliminary review action is completed, the disposition will be provided to the supplier immediately. **Internal non-conformances in the supplier's daily operations shall be evaluated for their potential to exist in previously produced or delivered hardware. If a potential latent defect is determined, a written notice to AMD is required within 24 hours of discovery.**

QC16. SCREW THREAD GAUGING SYSTEM REQUIREMENTS

Seller, providing thread forming processes or threaded product, shall comply with requirements specified in the applicable specification. Unless otherwise specified, all threads must comply with system 22 requirements per ASME B 1.3 and reference Mil-Std-8879, Mil-Std -7742, or FED-STD-H28 guidelines as applicable.

QC17. RETENTION OF QUALITY RECORDS AT VENDOR FACILITY

Records established in support of the requirements of the AMD Purchase Order will be maintained at the suppliers facility in accordance with the quality requirements of the suppliers quality management system. Records created by suppliers or subcontractors to satisfy AMD International Technologies' purchase order requirements are required to be sent to AMD along with the purchased product or service.



INTERNATIONAL TECHNOLOGIES

QC18. LOCKHEED PROCESSING FLOW DOWN

Processing to be accomplished in performance of this purchase order is directly related to a Lockheed Martin Aeronautics Company purchase order and must be accomplished in accordance with process specification(s) on this purchase order and Lockheed Martin Aeronautics Company Appendix QJ

Process Source must submit a Certificate of Conformance ("C of C") with a unique certification number in accordance with the following:

- a. Title, specification number (including revision letter) and QCS-001 process code of the process
- b. Name and address of the process facility,
- c. Buyer's assigned processor number,
- d. Date the C of C was issued,
- e. Purchase order and purchase order part number,
- f. Quantity of parts (to include quantity accepted/ rejected),
- g. Signature and title of authorized quality agent of Process Source,
- h. Fracture durability classification or serialization per customer PO

QC19. LOCKHEED APPENDIX QX

Paragraph 1.4: Counterfeit Parts / Materials Prevention applies, latest revision available at <http://www.lockheedmartin.com/us/aeronautics/materialmanagement.html>

QC20. FOD, LOCKHEED

Q4R - Foreign Object Debris/Damage (FOD) Prevention, latest revision available at <http://www.lockheedmartin.com/us/aeronautics/materialmanagement.html>

QC21. 252.225-7048 EXPORT CONTROLLED ITEMS (JUN 2013)

(a) Definition. "Export-controlled items," as used in this clause, means items subject to the Export Administration Regulations (EAR) (15 CFR Parts 730-774) or the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130). The term includes:

(1) "Defense items," defined in the Arms Export Control Act, 22 U.S.C. 2778(j)(4)(A), as defense articles, defense services, and related technical data, and further defined in the ITAR, 22 CFR Part 120.

(2) "Items," defined in the EAR as "commodities", "software", and "technology," terms that are also defined in the EAR, 15 CFR 772.1.

(b) The Contractor shall comply with all applicable laws and regulations regarding export-controlled items, including, but not limited to, the requirement for contractors to register with the Department of State in accordance with the ITAR. The Contractor shall consult with the Department of State regarding any questions relating to compliance with the ITAR and shall consult with

the Department of Commerce regarding any questions relating to compliance with the EAR.

(c) The Contractor's responsibility to comply with all applicable laws and regulations regarding export-controlled items exists independent of, and is not established or limited by, the information provided by this clause.

(d) Nothing in the terms of this contract adds, changes, supersedes, or waives any of the requirements of applicable Federal laws, Executive orders, and regulations, including but not limited to—



(1) The Export Administration Act of 1979, as amended (50 U.S.C. App. 2401, et seq.);

(2) The Arms Export Control Act (22 U.S.C. 2751, et seq.);

(3) The International Emergency Economic Powers Act (50 U.S.C. 1701, et seq.);

(4) The Export Administration Regulations (15 CFR Parts 730-774); (5) The International Traffic in Arms Regulations (22 CFR Parts 120-130); and

(6) Executive Order 13222, as extended.

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in all subcontracts

QC22. BOEING QUALITY ASSURANCE STANDARD FOR DIGITAL PRODUCT DEFINITION

AMD will only use DPD approved suppliers who are in compliance with Boeing's D6-51991.

QC23. BOEING QC S68, RIGHT OF ENTRY

REPRESENTATIVES OF BOEING AND/OR THE FEDERAL AVIATION ADMINISTRATION (IF NON DOMESTIC, BOEING AND/OR THE FEDERAL AVIATION ADMINISTRATION AND/OR EQUIVALENT FOREIGN CIVIL AVIATION AUTHORITIES) MAY INSPECT AND EVALUATE SELLER'S FACILITIES' SYSTEMS, DATA, EQUIPMENT, PERSONNEL AND ALL COMPLETED ARTICLES MANUFACTURED FOR INSTALLATION ON BOEING COMMERCIAL PRODUCTION AIRPLANES. RIGHT OF ENTRY/ACCESS INCLUDES MEETING THE REQUIREMENTS OF THE FAA AND/OR APPLICABLE EQUIVALENT FOREIGN CIVIL AVIATION AUTHORITIES TO PERFORM OVERSIGHT OF THE FACILITY.

Boeing requires that the provisions/requirements set forth above be included in Sellers direct supply contracts as well as the obligation that they be flowed to the sub-tier supply chain.

QC24. BOEING QC Q29, BOEING FORM X31764, AS/EN/JISQ 9100

ALL STATEMENTS ON THIS FORM ARE APPLICABLE AND CAN BE accessed by selecting "Supplier Quality" from the menu bar of "Doing Business with Boeing" home page located at the following URL address: <http://www.boeingsuppliers.com/>. When entering the URL, use lower case letters only. Seller shall flow-down to its Supply Chain the provisions/requirements of X31764

QC25. BOEING QC U40, NOTIFICATION OF ESCAPEMENT (NoE) PROCESS

SELLER SHALL PROVIDE WRITTEN NOTIFICATION TO BOEING WHEN A NONCONFORMANCE IS DETERMINED TO EXIST, OR IS SUSPECTED TO EXIST, ON PRODUCT ALREADY DELIVERED TO BOEING. WRITTEN NOTIFICATION SHALL INCLUDE:

A - AFFECTED PROCESS(ES) OR PRODUCT NUMBER(S) AND NAME(S)

B - DESCRIPTION OF THE NONCONFORMING CONDITION AND THE AFFECTED ENGINEERING REQUIREMENT (I.E., WHAT IT IS AND WHAT IT SHOULD BE)

C - QUANTITIES, DATES, PURCHASE ORDERS AND DESTINATIONS OF DELIVERED SHIPMENTS

D - SUSPECT/AFFECTED SERIAL NUMBER(S) OR DATE CODES, AND AIRPLANE LINE UNITS WHEN APPLICABLE.

NOTIFICATION MUST OCCUR WITHIN THREE (3) BUSINESS DAYS OF KNOWING ALL THE ABOVE INFORMATION. HOWEVER, IF THE CONDITION IS POSSIBLE SAFETY OF FLIGHT, SUBMIT ALL AVAILABLE INFORMATION IMMEDIATELY.

NOTE: SUPPLIERS SHOULD REFERENCE THE FOLLOWING DOCUMENTS FOR ADDITIONAL NOE PROCESS REQUIREMENTS:

A - THE D012Z026-01 DOCUMENT, SECTION 2 (787 ONLY)

B - THE T89 PURCHASE ORDER NOTE (IF APPLICABLE, ALL PROGRAMS)

C - THE D012Z028-01 DOCUMENT, SECTION 3.14 (IF APPLICABLE, 787 ONLY)

SELLERS WITH DELEGATED AUTHORITY IN ACCORDANCE WITH D-13709-4 APPENDIX C THAT DISCOVER THE DELIVERY OR SUSPECTED DELIVERY OF NONCONFORMING PRODUCT, ARE NOT REQUIRED TO NOTIFY BOEING WITHIN THREE (3) BUSINESS DAYS UNLESS SAFETY OR CERTIFICATION CONCERNS EXIST. ESCAPED PRODUCT IS TO BE INVESTIGATED AND COMMUNICATED TO BOEING AS REQUIRED BY D-13709-4 APPENDIX C.

SELLER SHALL NOTIFY THE FOLLOWING:

- THE BOEING PROCUREMENT REPRESENTATIVE,

- THE BOEING SUPPLIER QUALITY REPRESENTATIVE (SQR) THAT HAS OVERSIGHT OF SELLER'S FACILITY FOR PRODUCT PROCURED BY BCA PUGET SOUND, ALSO NOTIFY BCA SUPPLIER QUALITY SPECIAL INVESTIGATIONS GROUP



IF DIRECTED BY THE BOEING SQR, SUPPLIERS SHALL SUBMIT A BACKGROUND NOTIFICATION (BN) FORM TO THE BOEING SQR FOR PRE-EVALUATION AND GUIDANCE. BN FORM AVAILABLE AT THE FOLLOWING WEBSITE:
<http://www.boeing.com/d14426/index.html> , click User Instructions/ Processor Requirements, Exhibits and Appendices and Exhibit IV

FOR SUSTAINING PROGRAMS (737, 747, 767, 777, SPARES AND MRO SERVICES):

WRITTEN NOTIFICATION SHALL BE SUBMITTED TO BOEING VIA:

- THE BOEING PARTNERS NETWORK (BCA DEFAULT PROFILE), OR
- EMAIL NON-PROPRIETARY INFORMATION TO smpsi@boeing.com OR
- FAX (425-717-8010) NOTE: WHEN FAXING PROPRIETARY INFO, A RECIPIENT MUST BE STANDING BY TO RECEIVE FAX.

FOR 787 PROGRAM AND 787 SPARES:

WRITTEN NOTIFICATION SHALL BE SUBMITTED TO BOEING VIA:

- INITIATION AND SUBMITTAL OF A NOTICE OF ESCAPEMENT EMERGENT PROCESS DOCUMENT (EPD) WITHIN THE VELOCITY SYSTEM OR
- IF THE VELOCITY SYSTEM IS UNAVAILABLE, E-MAIL NON-PROPRIETARY INFORMATION TO 787NoEGP@boeing.com.

IF THE NONCONFORMING CONDITION HAS BEEN PREVIOUSLY IDENTIFIED BY BOEING USING A NONCONFORMANCE RECORD AND A CORRECTIVE ACTION HAS BEEN REQUESTED, THE SELLER SHALL NOTIFY THE BOEING INVESTIGATOR IDENTIFIED ON THE NOTIFICATION THAT ADDITIONAL PARTS ARE AFFECTED(SAME PART NUMBER(S)/SAME CONDITION). NOTE: ADDITIONAL PART NUMBERS OR NEW NONCONFORMING CONDITIONS ARE IN SCOPE FOR THE NOE PROCESS.

A NoE CAN ONLY BE USED WHEN THERE IS A NON-CONFORMANCE. A NoE IS NOT APPROPRIATE WHEN THE COMPONENT DOES NOT MEET AIRPLANE LEVEL REQUIREMENTS (NON-COMPLIANT). PARTS THAT CONFORM, BUT DO NOT MEET REQUIREMENTS, CAN BE ADDRESSED WITH EITHER OF THE FOLLOWING OPTIONS:

- PART NUMBER ROLL INITIATED BY CHANGE REQUEST OR 95000 CHANGE AND EXPEDITED WITH AN ENGINEERING QUICK CHANGE. BAD PARTS AND PART NUMBERS CAN BE CAPTURED VIA PART NUMBER CONTROL AND OUT OF SEQUENCE INSTALLATION.
- SUPPLIER MOD LEVEL CHANGE THAT FLOWS THROUGH THE BOEING PRODUCTION SYSTEM AND THE PRE-MOD PARTS ARE ADDRESSED WITH SUPPLIER SERVICE BULLETIN. THIS OPTION IS GENERALLY NOT PREFERRED.

ENGINEERING DESIGN ERRORS:

DO NOT SEND ENGINEERING DESIGN ERRORS TO BCA SUPPLIER QUALITY SPECIAL INVESTIGATION GROUP USING THE NoE PROCESS.

FOR PRODUCT DELIVERED WHICH HAD BEEN DETERMINED TO CONTAIN ENGINEERING ERRORS: SELLER SHALL PROVIDE WRITTEN NOTIFICATION TO BOEING WITHIN THREE (3) BUSINESS DAYS WHEN IT IS DETERMINED THAT PRODUCT SHIPPED, WHILE MEETING THE SUPPLIER PRODUCT DEFINITION, DOES NOT MEET, OR IS SUSPECTED TO NOT MEET, THE AIRPLANE DESIGN REQUIREMENTS.

WHEN THE FOLLOWING IS KNOWN, WRITTEN NOTIFICATION SHALL INCLUDE:

- AFFECTED PROCESS OR PRODUCT NUMBER AND NAME
- DESCRIPTION OF THE PROBLEM (I.E., WHAT IT IS AND WHAT IT SHOULD BE)
- QUANTITY, DATES, PURCHASE ORDERS AND DESTINATION OF SHIPMENT DELIVERED
- SUSPECT/AFFECTED SERIAL NUMBER(S) OR DATE CODES, WHEN APPLICABLE.

WRITTEN NOTIFICATION BY THE SELLER SHALL BE TO:

- THE BOEING PROCUREMENT REPRESENTATIVE, AND
- THE BOEING SQR THAT HAS OVERSIGHT OF THE SUPPLIERS FACILITY, AND
- FOR 787 PROGRAM, REFER TO DOCUMENT 787N8-2693 FOR INSTRUCTIONS ON HOW TO COMMUNICATE A PROBLEM TO THE PRODUCT DEFINITION DATA (PDD) OWNER VIA THE PROBLEM REPORT PROCESS (PREFERRED METHOD) OR
- SUPPLIERS AND OTHERS WHO DO NOT USE THE PROBLEM REPORT PROCESS SHALL SUBMIT THEIR NOTIFICATIONS THROUGH THE FOLLOWING GROUP MAILBOX:787DE-PartnerDesignErrors@boeing.com

THE REQUIREMENTS SET FORTH ABOVE SHALL BE FLOWED DOWN BY SELLER TO SELLER'S SUPPLY CHAIN, WITH THE MODIFICATION THAT ALL SUPPLY CHAIN NOTIFICATION SHALL PASS THROUGH SELLER (AND NOT MADE DIRECT FROM SUPPLY CHAIN TO BOEING). SELLER SHALL NOTIFY BOEING OF ALL SUB-TIER ESCAPES AND DESIGN ERRORS IN ACCORDANCE WITH RESPECTIVE COMMUNICATION PROCESS SET FORTH HEREIN. FOR PURPOSE OF THIS NOTE, SUPPLY CHAIN SHALL MEAN SELLER'S COMPLETE NETWORK OF MATERIAL, EQUIPMENT, INFORMATION, AND SERVICES INTEGRATED INTO PRODUCTS AND SERVICES.

QC26. LOCKHEED NOTE A83

A83 NOTE, "ENGINEERING SPECIFICATION REQUIREMENTS"

<http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-engineering/scm-a83.html>

QC27. Special Tools

Vendor will follow AMD's QOP 7.5.1.3 for control and handling of Special Tools.