



AMD QUALITY CLAUSES

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

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. 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.

QC3. 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.

QC4. DELAYS

Any delay in shipment for any reason must be conveyed to AMD as soon as the delay is known by the supplier.

QC5. 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 their expense.

QC6. 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.

QC7. 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.

QC8. FIRST ARTICLE INSPECTION



AMD QUALITY CLAUSES

A detailed first article inspection report is required before production is authorized. 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. *Seller* assumes all financial responsibility for replacement, rework, and material when production of parts is begun without First Article inspection approval from quality. AS9102 FA form required when stipulated on the PO.

QC9. 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.

QC10. 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).

QC11. 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.

QC12. 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.

QC13. PACKING/PACKAGING

Seller must ensure that all items shipped under this Purchase Order are adequately packed and/or packaged to prevent damage, corrosion, 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.

QC14. NONCONFORMING MATERIAL CONTROL & LATENT DEFECT NOTIFICATION



AMD QUALITY CLAUSES

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. *Seller* shall segregate and control the nonconforming materials to assure no further work is accomplished on the discrepant item(s) until AMD'S preliminary review disposition is obtained. *Seller* 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.**

QC15. 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.

QC16. 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.

QC17. CONTROL OF RECORDS

All information on the Purchase Order must be held in confidence by the supplier and no third-party request for information will be authorized unless instructed in writing by an AMD representative. When ITAR and/or Government rated data is noted on the purchase order, the US government restrictions must be followed. If the *Seller* has any questions concerning ITAR or government rating, notify the company buyer. All concerns must be answered prior to *Seller* accepting this order. All documents to be retained for 10-year minimum unless extended retention is required by AMD or its customers. *Seller* agrees to return or destroy records after retention period.

QC18. 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.);



AMD QUALITY CLAUSES

(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

QC19. PREVENTION OF COUNTERFEIT PRODUCTS

Seller will adhere to the requirements as applicable for the following to mitigate the procurement of counterfeit products:

- Full product traceability for the material being purchased, including names and addresses of prior sources (if any).
- Tests and inspections: *Seller* will be notified of any applicable tests and inspections that they will be required to perform to assure product authenticity, including development of accept/reject criteria and qualification of test/inspection personnel.
- Quality management system: The seller should be required to comply with, and/or be certified to, an appropriate higher-level quality standard (flowed down on AMD quality flow-down).
- Required documentation: *Seller* is provided with clear and specific instructions concerning deliverable documentation. Documentation requirements, including certificates of conformance and test/inspection data, are included in the contract terms and conditions.

QC20. INFORMATION FOR ALL EXTERNAL PROVIDERS

Seller shall ensure all persons are aware of: their contribution to product and service conformity;

- their contribution to product safety;
- the importance of ethical behavior.