

TITLE: PURCHASE ORDER QUALITY AND EXPORT CLAUSES

1 Purchase Order Quality Clauses

QC001 - Supplier Quality System

The supplier must maintain a quality system certified to ISO9001:2015. A copy of the suppliers ISO certificate is required. ADSGS has the right to access and verify supplier quality systems through assessments and/or on-site audits.

QC002 – Advance Notification of Potential Product Issue

In the event the supplier is, or becomes, aware of a potential product problem or issue that may have an adverse effect on the quality, reliability, or delivery of a product to ADSGS, the supplier shall immediately notify the ADSGS procurement representative. This is an advance notification of potential issues.

The following are examples of, but are not limited to, issues requiring notification: unplanned events, weather related events, major manufacturing issues, supply chain related events.

QC003 – Supplier Sub-Tier Supplier Management

Supplier shall have processes and procedures in place to manage their entire supplier base. The International Aerospace Quality Group (IAQG) Sub-Tier Assessment Matrix (www.iaqg.org/scmh) is acceptable guidance for sub-tier management processes and procedures.

Supplier shall ensure that all ADSGS requirements, applicable to the product procured, are fully contractually flowed down through all levels of supplier's supply chain for product being delivered to ADSGS. Suppliers should maintain an Approved Supplier List and shall have controls in place to ensure work is not performed at unapproved or disapproved sources. Sub-tier suppliers should have an adequate quality management system, as determined by the supplier's assessment. It is preferred that sub-tier suppliers are NADCAP, AS9100 or ISO9001 compliant or certified via a recognized third-party Certification Body.

QC004 - Supplier Equipment Calibration

The supplier shall control gauges and test equipment utilized in support of this product in compliance with ANSI/NCSL Z540.1-1994. Production jigs and fixtures, when used as aids of inspection, shall be controlled in accordance with provisions of this paragraph. The supplier must furnish a certified statement that the equipment has been calibrated and is traceable to NIST standards. If the equipment has a calibration history, the recommended calibration cycle or date the current calibration expires shall be provided.

QC005 - Supplier Certificate of Conformance

The supplier shall provide with each shipment, a written Certificate of Conformance (C of C), attesting to the compliance of all requirements. The C of C shall include the following information:

- Part Number of item(s)
- Purchase Order Number
- Name and Address of manufacturing location
- Quantity
- Lot/Heat/Batch/Date code

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- Serial Numbers (if applicable)
- Signature of authorized company representative

QC006 - Materials Certification Submission

Supplier shall collect, retain, and submit a copy of its certification records to ADSGS for specified raw materials used in the manufacturing of the purchased product. If any subcomponents used in the manufacturing of this product are outsourced to Supplier sub-tier suppliers, a certification from the sub-tier suppliers is to be collected, retained, and submitted with the Supplier's top-level certification.

Certificates shall include:

1. For raw materials, material chemical and physical characteristics as noted on the drawing(s) and/or Bill of Materials (BOMs) with actual values recorded.
2. Process Specifications as noted on the drawing(s) and/or BOM(s)
3. Verification the specified material(s)/subcomponent(s) meet requirements (including both product number and source)

QC007 – Traceability: Lot/Date/Heat Code

Unless otherwise specified on the PO, supplier shall provide a means of traceability down to the purchased items/materials used to produce the PO. Supplier may use the original manufacture Lot/Date/Heat Code or the supplier's method for identifying the end item product as required for proper traceability for non-serialized items. Supplier shall package each Lot/Date Coded batch separately. Duplication of Lot/Date/Heat Code is prohibited.

QC008 – Traceability: Serialization

Supplier shall identify each part with a unique serial number. In the absence of a drawing identification requirement, part marking serialization shall be performed in accordance with standard industry practices.

Serialized shipments shall have serial number(s) listed on the corresponding shipper. Duplication of serial numbers is prohibited.

Supplier shall ensure all serial numbers for each part in this shipment are identified on the shipping document (shipper, packing slip, etc.)

QC009 - Part and Component Sourcing

Parts and/or components must be purchased directly from the Original Equipment Manufacturer (OEM), or through an authorized OEM distributor.

QC010 – Unbroken Chain of Custody Documentation Submission

For Electronic Components/Assemblies, Supplier shall submit Supplier's C of C and unbroken chain of custody documentation to ADSGS with the shipment.

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2 Purchase Order Export Clauses

EX001– Export Classification

The supplier shall provide with each purchase order acknowledgement the following information for each item on the purchase order:

For each item –

- HTS (Harmonized Tariff Schedule) number per USITC

For items controlled under Export Administration Regulations (EAR) on the CCL (Commerce Control List) –

- ECCN, (Export Control Classification Number), per 15 CFR Part 774 Supplement No. 1
- CCATS if available, (Commodity Classification Automated Tracking System) number, per 15 CFR 748.3
- Applicable License Exceptions per 15 CFR Part 740

For items controlled under International Traffic and Arms Regulations (ITAR) enumerated on the USML (US Munitions List) –

- USML, (United States Munitions List Category), per 22 CFR 121.1
- Commodity Jurisdiction (if available), per 22 CFR 120.12

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