

Quality CNC Machining, Inc.

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AS9100D, ISO 9001:2015 Certified Company

Purchasing Process: Terms & Conditions, Form C2f2-1

This document, herein referred to as Terms & Conditions, shall be considered as an addendum to the Quality CNC Machining, Inc. (QCNC) Purchase Order document if and when the following statement “**Subject to Terms & Conditions Form C2f2**” appears on the Purchase Order.

Terms & Conditions

All purchases by Quality CNC Machining Inc. from your company (the supplier/seller/provider) shall be subject to verification (incoming inspection). If nonconformity is detected during incoming inspection, purchased product may be subject to immediate return to the provider, at the providers’ expense, with the appropriate Corrective Action Request Form (CAR). All CARs must be completed and returned to the QCNC’s Quality Manager within 10 days.

Verification activity may include:

- a) Obtaining objective evidence of quality – test reports, certifications,
- b) Audit and inspection at supplier’s premises,
- c) Review of required documentation,
- d) Inspection of product upon receipt, including delivery on time,
- e) Delegation of verification to the supplier or supplier certification,
- f) Written Quality Agreements – for Medical Device processing.

1) All suppliers shall be subject to the annual performance review, and shall be notified if and when they have been dismissed as a preferred supplier to QCNC.

2) All suppliers should carefully review our Purchase Order for the following (if noted):

- a. Processes, products and services to be provided including the identification of relevant technical data, e.g., specifications, drawings, process requirements, work instructions;
- b. Requirements for approval of: product and services; methods, procedures, processes and equipment; the release of products and services;
- c. Requirements for qualification and competence of personnel;
- d. Requirements for the external providers’ interactions with QCNC;
- e. Special requirements, critical items or key characteristics;
- f. Requirements for the use of statistical techniques for product acceptance and related instructions for acceptance;
- g. Requirements for providing test specimens for design approvals, inspections and verification (including production process verification), investigation or auditing;
- h. Identification and revision status of specifications, drawings, and other technical data;

3) All external providers to QCNC shall implement a quality management system. Copies or certifications shall be made available to QCNC Quality Manager and must be current.

4) All applicable requirements, including end customer requirements, shall be flowed down to external providers.

5) QCNC shall periodically validate test reports and certificates for accuracy.

6) Where QCNC delegate’s verification activities to the supplier, the requirements for delegation shall be defined and a register of delegations noted and maintained.

7) When QCNC, or its customer intends to perform verification at the provider’s premises, the provider shall give right of access to QCNC, their customers and regulatory authorities to applicable areas of the facility and to applicable documents at any level of the supply chain. QCNC shall state the intended verification or validation activities that it, or its customers, intend to perform at the external providers’ premises.

8) Where specified in the Purchase Order, the customer or the customers' representative shall be afforded the right to verify at the supplier's premises that subcontracted product conforms to specified requirements.

9) Material supplied against this contract must be purchased from approved sources of the end item users (Quality CNC Machining Inc.). Conformance to our "Counterfeit" policy must be ensured.

10) Latest Revisions: The product being manufactured and/or service being performed must be completed per the latest revision. At no time will other revisions be used other than what is indicated on the drawing or purchase order, without the express, written permission of authorized representative of Quality CNC Machining Inc.

11) The provider shall notify QCNC of process changes, production facility changes and location, or services and obtain approval from QCNC.

12) Control of nonconforming product: The provider shall notify QCNC of nonconforming product, processes or services and obtain approval for their disposition. Nonconforming product produced from QCNC supplied material will be segregated, tagged and returned to the QCNC along with completed internal non-conformance report. Documented cause and corrective action is required.

13) QCNC supplier shall use appropriate methods of handling, packaging and preservation to prevent damage of product in process and during delivery.

14) Product certification: Providers shall certify that all parts which are supplied conform to purchase order requirements, applicable specifications, finished, dimensions, etc. as noted. All applicable records shall be on file subject to examination by QCNC for a minimum of 10 years.

15) Certificate of Compliance shall accompany all shipments as required by the Purchase Order. The certificate of compliance must be signed by an authorized representative and reflect all information necessary to identify the product, quantity, current revision, and whatever services or processes the provider has performed. All documents must be 100% legible.

16) Traceability / Lot Shipment Requirements: Lots and/or batches shall not be commingled.

- A casting, forging, machined part or stamping lot/batch consists of the same part number, of one alloy, produced using the same processing parameters (including heat treat) and contains a homogeneous heat pour, or same basic material.
- A production lot/batch shall consist of parts that are all the same configuration fabricated under same conditions, from the same material type, processed together and produced as one continuous run.
- A plating lot/batch (cadmium, anodize, chemical milling, etc) shall consist of treated articles on the same order, treated under same conditions, from the same chemical composition, from the same tank.
- A coating lot/batch (paint, dry film lube, etc.) shall be processed as one batch, on the same part, on the same order. A batch is defined as the end product of all the raw materials mixed or blended in a single or continuous operation and typically containered, (in bins, baskets, crates etc) shipped and tagged as a specific entity.
- All bins/baskets/batches/lots of parts received from QCNC for processing shall maintain their respective tags and labels identification throughout processing.

17) Product Verification: Verification (inspection) by QCNC shall not absolve the seller/supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by QCNC. QCNC shall do its due diligence to inspect for Counterfeit parts.

18) FOD – Foreign Object Detection: The Seller/Supplier shall ensure that Foreign Object Damage/Debris control process is a part of their final inspection methodology, assuring QCNC that work is accomplished in a manner preventing foreign objects or material from entering and remaining in the deliverable items. Maintenance of the work area and control of tools, parts, and materials will preclude the risk of FOD incidents.

19) Code of Conduct – All external providers shall abide by Quality CNC Machining, Inc.'s Code of Conduct. This is available for download on our company website.

20) Supplier shall ensure that persons are aware of their contribution to product or service conformity; their contribution to product safety; and the importance of ethical behavior.

These Terms & Conditions are subject to modification as per Quality CNC Machining, Inc. requirements and the requirements of the AS9100D International Standard which harmonized, to the greatest extent possible, quality management system requirements for Aviation, Space and Defence Industries, for the purpose of improved quality, decreasing costs, and improving safety in design & function of U.S military aircraft, defines & space technologies and commercial airline services.

Approvals: Quality CNC Machining Inc. – Quality Manager – WI#15