

PURCHASING QUALITY REQUIREMENTS

I.SCOPE:

The scope of this document extends to all suppliers accepting ADVANCED AIRCRAFT SEAL Purchase Orders, with the exception of supplier proprietary part numbers and standard catalog items.

II.DEFINITIONS:

- a) Quality Records: All records created to verify and substantiate product conformance. These shall include planning documents, Purchase Orders, material and process certifications, testing, First-Article Inspection, in-process, final inspection, and other pertinent records to verify conformance to the established requirements.
- b) Standard Catalog Hardware: A part or material that conforms to an established industry or national authority published specification, having all characteristics identified by text description, National/Military Standard Drawing, or catalog item.
- c) Boeing, Douglas, Lockheed standards are considered as industry standards.

III. REFERENCES:

AS9100 Element 7.4
AS9102

PURCHASING CLAUSES

P1 - RESPONSIBILITY:

The supplier is responsible to ensure all appropriate requirements are adequately fulfilled, in accordance with the Purchase Order (contract) requirements and this document.

P2- SUBCONTRACTING:

The supplier agrees to obtain Advanced Aircraft Seal's written approval before subcontracting this Order or any substantial portion thereof.

P3- SCHEDULE

Supplier shall strictly adhere to the shipment or delivery schedule(s) specified in this Order. In the event of any anticipated or actual delays, including but not limited to delays attributed to labor disputes, Supplier shall promptly notify Advanced Aircraft Seal in writing of the reasons for the delay and actions being taken to recover and/or minimize the delay including a revised written recovery schedule.

P4- PACKAGING AND SHIPPING

It is Supplier's responsibility to pack the "Goods" to prevent damage and deterioration. Shipping to be per instructions provided in the "Order".

P5- ACCEPTANCE AND REJECTION

- A. Advanced Aircraft Seal shall accept the Goods or give Supplier notice of rejection or revocation or acceptance, notwithstanding any payment, prior test, inspection or passage of title. No inspection, test, delay or failure to inspect or test or failure to discover any defect of other nonconformance shall relieve Supplier of any obligations under this Order or impair any rights or remedies of Advanced Aircraft Seal.
- B. If Supplier delivers nonconforming Goods, Advanced Aircraft Seal may, at its option and at Supplier's expense, (i) return Goods for credit/refund, (ii) require Supplier to promptly correct or replace the Goods, (iii) correct the Goods, or (iv) obtain replacement Goods from another source.
- C. Supplier shall NOT redeliver corrected or rejected Goods without disclosing the former rejection or requirement for correction. Supplier shall disclose any corrective action taken. Redelivery shall be completed within the original delivery schedule or such later time as Advanced Aircraft Seal's Buyer may reasonably direct.
- D. All costs and expenses and loss of value incurred as a result of or in connection with nonconformance and repair, replacement or other correction may be recovered from Supplier by equitable price reduction or credit against any amounts that may be owed to Supplier under this Order or otherwise.

P6- WARRANTY

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A. Supplier warrants that all Goods furnished under this Order shall conform to all specifications/drawings and requirements of this Order and shall be free from defects in materials and workmanship.

B. Supplier further warrants that it shall not furnish "Counterfeit Goods" under this Order. "Substitutes" may only be used or provided with the written consent of Advanced Aircraft Seal.

P7- TAXES

Unless this Order specified otherwise, the price of this Order includes, and Supplier is liable for and shall pay, all taxes, impositions, charges and exactions imposed on or measured by this Order except for applicable sales and use taxes that are separately stated on Supplier's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Advanced Aircraft Seal has furnished a valid exemption certificate or other evidence of exemption.

P8- INVOICES AND PAYMENT

Supplier shall issue a separate original invoice for each delivery of Goods that shall include Advanced Aircraft Seal's PO number and line item number. Supplier shall forward the invoice(s) to the address specified elsewhere in the Order. Payment due date shall be calculated based from the later delivery of Goods date or date of receipt of corrected invoice (if applicable). Payment shall be deemed made on the date Advanced Aircraft Seal's check is mailed or payment is otherwise tendered.

P9- FORCE MAJEURE

Supplier shall not be liable for any re-procurement costs due to "Cancellation for Default" of this Order, incurred by Advanced Aircraft Seal, because of any failure to perform this Order under its terms when the causes are beyond reasonable control and without fault or negligence of the Supplier. Examples include, but are not limited to; acts of God or of the public enemy, acts of government, fires, floods, unusually severe weather. In each case, the failure to perform must be beyond the reasonable control and without fault or negligence of the Supplier. Supplier shall notify Advanced Aircraft Seal in writing within 10 days after the beginning of any such cause.

P10- CANCELLATION FOR DEFAULT

1. Advanced Aircraft Seal may, by providing written notification to Supplier, cancel any or all of this Order if (i) Supplier fails to deliver the Goods within the time specified in the PO; (ii) Supplier fails to perform any other provision of the Order and fails to make process so as to endanger the performance of this Order and does not provide Advanced Aircraft Seal with written plans to recover within 10 days of notification by Advanced Aircraft Seal; or (iii) in the event of Supplier's suspension of business, insolvency, appointment of a receiver, or any assignment/reorganization/arrangement by Supplier for the benefit of its creditors.
2. Supplier shall continue to work on all parts of the Order not canceled. If Advanced Aircraft Seal cancels all or part of this Order, Supplier shall be liable for Advanced Aircraft Seal's excess re-procurement costs.
3. Advanced Aircraft Seal may require Supplier to provide any finished or partially finished "Goods" as directed in writing. Upon direction from Advanced Aircraft Seal, Supplier shall also protect and preserve property in its possession that Advanced Aircraft Seal or its Customer may have an interest in.
4. Advanced Aircraft Seal shall pay the agreed price per the PO for Goods accepted.
5. If, after cancellation, it is found that Supplier was not in default, the rights and remedies of the Parties shall be as if the Order had been terminated according to "Termination for Convenience" below.

P11A - TERMINATION FOR CONVENIENCE

Advanced Aircraft Seal shall have the right to terminate all or part of the Order effective as of the date specified by Advanced Aircraft Seal in writing, in accordance with the provision of Federal Acquisition Regulation (FAR) 52.249-2 (May 2004), "Termination for Convenience of the Government (Fixed Price)", which provisions, except for subparagraphs (d) and (j), are incorporated herein by reference. The terms "Government" and "Contracting Officer" shall mean "Advanced Aircraft Seal", and "Contractor" shall mean "Supplier". The phrase "1 year" shall be deleted in each place it occurs and "6 months" is substituted in its place. The time requesting an equitable adjustment under subpar. (L) is reduced to 45 days.

P11B - ADVANCED AIRCRAFT SEAL'S PROPERTY

Supplier shall clearly mark, maintain an inventory of, and keep segregated or identifiable all Advanced Aircraft Seal property and/or property to which Advanced Aircraft Seal acquires an interest by virtue of this Order. Supplier assumes all risk of loss, destruction or damage of such property while in Suppliers possession, custody and control, including any transfer to Supplier's subcontractors. Supplier shall not use such property other than in performance of this Order without Advanced Aircraft Seal's prior written consent. Supplier shall notify Advanced Aircraft Seal's Procurement Representative if Advanced Aircraft Seal's property is lost, damaged or destroyed. As directed by Advanced Aircraft Seal, Supplier shall deliver such property to Advanced Aircraft Seal in good condition (subject to normal wear and tear) upon completion, termination or cancellation of this Order.

P12- RIGHTS OF ADVANCED AIRCRAFT SEAL, ADVANCED AIRCRAFT SEAL'S CUSTOMERS AND REGULATORS

A. Advanced Aircraft Seal's rights to perform inspections, surveillance and test and to review procedures, practices, processes and related documents related to Quality Assurance, Quality Control, Flight Safety, and configuration control shall be extended to customers of Advanced Aircraft Seal and any regulatory authorities. Supplier shall comply and cooperate with any and all activities as stated above without additional cost to Advanced Aircraft Seal.

B. Supplier shall comply with all requests for access to Supplier's premises, in relation to this Order, from Advanced Aircraft Seal, Advanced Aircraft Seal's customers and/or Government Regulators.

P13- GOVERNING LAWS

This Order and any disputes arising out of, or relating to, this Order shall be governed by the laws of the State of California.

P14- GOVERNMENT CLAUSES

Government clauses applicable to this contract are incorporated herein either by attachment to this document or by some other means of reference.

P15- ENTIRE AGREEMENT

This Order, together with all purchase orders, attachments, exhibits, supplements and other terms specifically referenced in this Order, contains the entire agreement of the Parties and supersedes any and all prior agreements, understandings and communications between Advanced Aircraft Seal and Supplier relate to the subject matter of this Order. No amendment or modifications of this Order shall bind either Party unless it is in writing and is signed by Advanced Aircraft Seal's Procurement Representative and an authorized representative of Supplier.

P16- CONFIDENTIAL/PROPRIETARY INFORMATION AND MATERIALS

Advanced Aircraft Seal and Supplier shall each keep confidential and protect from unauthorized use and disclosure all confidential, proprietary data/drawings as well as tangible items, software and tooling. Advanced Aircraft Seal and Supplier shall each use Proprietary Information and Materials of the other only in the performance of and for the purpose of this Order and/or any other agreement referencing this Order. Advanced Aircraft Seal, however, shall have the right to use, disclose and reproduce Supplier's Proprietary Information and Materials, and make derivative works thereof, to fulfill Advanced Aircraft Seal's obligations under this Order and for the purposes of testing, certification, use, sale or support of any Goods delivered under this Order or any other agreement referencing this Order. When Advanced Aircraft Seal uses Supplier Proprietary Information in any way, it will include, whenever appropriate, a restrictive legend suitable for the particular circumstance. Supplier, at Advanced Aircraft Seal's request, shall return all Advanced Aircraft Seal proprietary information/materials, or follow instructions if otherwise instructed for disposition of said information/materials. Supplier shall not, without the prior written authorization of Advanced Aircraft Seal, sell or otherwise dispose of (as scrap or otherwise) any parts or other materials containing, conveying, embodying or made in accordance with or by reference to any Proprietary Information and Materials of Advanced Aircraft Seal. Supplier may disclose Advanced Aircraft Seal Proprietary Information/Material to its subcontractors as required for the performance of this Order, provided that each such subcontractor first agrees in writing to the same obligations imposed upon Supplier under this clause. Advanced Aircraft Seal shall have the right to Audit Supplier in regards to compliance with this Clause.

P17- PREFERENCE FOR DOMESTIC COMMODITIES

1. This Order is subject to the requirements of DFAR 252.225-7014 – Preference for Domestic Specialty Metals & Alternate1 (one) found at: <http://www.acq.osd.mil/dpap/dars/dfars/html/current/tochtml.htm>
2. This Order is subject to the requirements of DFAR 252.225-7012 – Preference for Domestic Commodities found at: <http://www.acq.osd.mil/dpap/dars/dfars/html/current/tochtml.htm>

P18- BUY AMERICAN ACT

This order is subject to the "Buy American Act" as implemented by FAR 52.225-3.

QUALITY CLAUSES

Q1- QUALITY SYSTEM REQUIREMENTS:

- A. The Supplier shall maintain a documented Quality System as required by AAS purchase order.
 - a. -ISO 9001, ISO 9003, or ISO 9004 Compliant or Registered.
 - b. -AS9000, AS9100, AS9110, and/or AS9120 Compliant or Registered.

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- c. -Other approved Quality System of "Original Equipment Manufacturer (OEM)"
 - d. -NADCAP Registration
 - e. -Other Quality Systems:
- B. No Specific Quality System stipulated. ADVANCED AIRCRAFT SEAL shall periodically review the supplier with an on-site visit, and/or Quality System Survey (accompanied by historical performance review). Advanced Aircraft Seal's approach is to ensure the supplier is continuously supplying conforming product.

NOTE: Systems not meeting Q1-A for "Acceptable Quality Systems" may still be approved provided they are capable of supplying conforming product. A "Limited Approval" may be granted to a supplier for a specific part number based upon historical performance, the supplier maintaining tooling, or the suppliers manufacturing and/or special processes approved by the OEM.

Q2- CALIBRATION

- A. (Applicable if the supplier is using measuring tools and equipment to determine product conformance):
- B. Supplier shall maintain a documented calibration system for the calibration and maintenance of tools, jigs, inspection and test equipment. Supplier shall have and maintain a calibration system that is compliant to industry requirements in accordance with ISO 17025, ISO 10012-1, or ANSI Z540.

Q3- FIRST ARTICLE INSPECTION

- A. First Article Inspection Report (FAIR) shall be completed by Supplier in accordance with AS9102. Supplier may use forms contained in AS9102 or their equivalent, so long as the forms contain all the information required by AS9102. All Material Certs and the reference Q/QC drawings must accompany FAI forms.
- B. Supplier shall notify Advanced Aircraft Seal within 48 hours of receipt of the Order to coordinate and plan for the Advanced Aircraft Seal FAI to be conducted, as determined appropriate, by Advanced Aircraft Seal's Quality Representative. This planning may include either on-site verification at Supplier's facility, or submittal of FAI unit and FAI paperwork to Advanced Aircraft Seal for approval prior to entering into full production.

Q4- SPECIAL PROCESSES

- 1. Special processes for this order shall be performed by Suppliers/Processors specifically approved by Advanced Aircraft Seal's Prime Customer. If a Supplier/Processor is not specifically specified on the Purchase Order, notify Advanced Aircraft Seal's Buyer for a listing of approved Suppliers/Processors. (Additional QA/QC requirements may apply – check PO for specifics)
- 2. Special processes for this order shall be performed by Suppliers/Processors specifically approved by Advanced Aircraft Seal. If a Supplier/Processor is not specifically noted on the Purchase Order, notify Advanced Aircraft Seal's Buyer for a listing of approved Suppliers/Processors.
- 3. NADCAP certification is required whenever performing or sub-contracting Special Processes.

NOTE: Where subsequent monitoring or measurements cannot be obtained due to processing and/or assembly, the supplier shall maintain inspection records to verify characteristic conformity. These records shall be made available upon request.

Q5- SHELF LIFE REQUIREMENTS

All shelf life sensitive materials must have a minimum of 75% remaining at the time of receipt at ADVANCED AIRCRAFT SEAL.

Q6- RECORDS RETENTION

Supplier and/or Supplier's subcontractors shall retain all inspection records, chemical/physical characteristic certs/reports, process certifications, mechanical test data, lot data, as applicable, on file and available for Advanced Aircraft Seal and/or Advanced Aircraft Seal's Customers review pertaining to items shipped against this Order for a period of:

- A. Ten (10) years
- B. OTHER – as specified on the PO

Q7- CERTIFICATE OF CONFORMANCE (C of C)

- A. Supplier shall provide a C of C asserting that all items contained within the shipment are in total compliance with the requirements of the Order (PO). Items (Goods) provided must meet all applicable requirements (standards, specifications, PO Requirements, etc.) and test reports to FAR25.853. A copy of the C of C shall be included with Supplier's product shipper.
- B. Supplier's C of C shall include the following:
 - 1. Title and specification number (including revision letter) of the process

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2. Name and address of the process or NDT facility
3. Advanced Aircraft Seal's assigned processor number
4. Date C of C was issued
5. Advanced Aircraft Seal Purchase Order (PO) number
6. Part Number
7. Revision Number
8. Quantity of parts/material/Goods (to include quantity accepted/rejected)
9. Signature and Title of authorized quality agent of Supplier
10. Lot number
11. Serial numbers (when required)
12. Shelf Life, when applicable
13. For Metal Raw Stock – Source and trace ID of original ingot supplier, all thermo-mechanical processing (forging, rolling, drawing, etc.), heat treatment, chemical processing, and inspections.

Q8- MATERIAL CERTS

Material certs/Test Reports are to be provided for all raw materials, textiles, metals (sheet, extrusions, tubes, etc.), shelf-life materials, composites (pre-pregs, resins, etc.), coatings, and as required by the applicable material specification requirements and/or Advanced Aircraft Seal's PO.

- A. METALS – (Full Pedigree from Melt to Final Product) – Material Certs shall show clear traceability to the manufacturer(s) of the ingot source, all thermo-mechanical processing (i.e. forging, rolling, drawing, etc.), heat treatment, chemical processing, and inspections.
- B. TEXTILES – Material and Test Reports showing provided materials/Goods meets ALL requirements of the applicable specification (per Advanced Aircraft Seal PO).
- C. SHELF-LIFE MATERIALS – Material and Test Reports showing compliance with ALL requirements of the applicable specification (per Advanced Aircraft Seal PO) as well as providing manufacture date and date of expiration.
- D. COMPOSITES/COATINGS - Material and Test Reports showing compliance with ALL requirements of the applicable specification (per Advanced Aircraft Seal PO) as well as providing manufacture date and date of expiration.

NOTE: All Test Reports must include the authorized signature and title of the representative of the agency performing the test.

Q9- NON-CONFORMING PRODUCT

- A. The supplier shall notify AAS of any nonconforming product prior to product release. Supplier shall obtain approval for any product disposition, including shipment or release of product to AAS.
- B. The supplier shall ensure that nonconforming product is identified and controlled to prevent its unintended use or delivery. If nonconforming product is identified the Supplier shall investigate to ensure that the same nonconformity has not affected any other product delivered or undelivered.
- C. If non-conforming product is identified after delivery to Advanced Aircraft Seal, the supplier must notify Advanced Aircraft Seal immediately and disclose the nonconformance. At a minimum, a description of the nonconformance, the part number, lot number, PO number, and the date shipped shall be provided to Advanced Aircraft Seal.
- D. If non-conforming product is identified prior to delivery, the Advanced Aircraft Seal Buyer must be immediately notified and a written recovery plan provided by the Supplier. If the Supplier and Advanced Aircraft Seal agree that the nonconformity will not affect form/fit/function, the Supplier will obtain written authorization, prior to delivering to Advanced Aircraft Seal.

Q10- CORRECTIVE & PREVENTIVE ACTION

Supplier shall, on request, on forms designated or provided by Advanced Aircraft Seal, provide root cause analysis and corrective action on nonconformities or failures of Suppliers goods or services. Corrective action statements, at Advanced Aircraft Seal's option, may require approval signature by Advanced Aircraft Seal and customer quality representatives. All rejected articles resubmitted by Supplier to Advanced Aircraft Seal shall bear adequate identification, including reference to Advanced Aircraft Seal's rejection document.

Q11- SUB-TIER SUPPLIERS

The Supplier shall flow-down to their supply chain the requirements in AAS purchasing documents, including customer requirements where noted.

Q12- SOURCE INSPECTION

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A. Advanced Aircraft Seal's In-Process and/or Final Source Inspection required prior to shipment of products from Supplier's facility and/or Supplier's Subcontractors facility. Supplier shall notify Advanced Aircraft Seal seven (7) days in advance of date parts will be ready for inspection.

B. Government Source Inspection (GSI) is required prior to shipment from Supplier facility. If noted on the Advanced Aircraft Seal PO, Supplier is to notify the Government representative (DCMA) who normally services its facility so that appropriate planning for GSI can be accomplished.

Q13- PRODUCT/PROCESS CHANGES

The Supplier shall notify Advanced Aircraft Seal of changes in product and/or process definition, including any changes of suppliers and, where required, obtain Advanced Aircraft Seal approval.

Q14- F.O.D.

The Supplier shall develop and maintain a Foreign Object Debris/Damage (FOD) prevention program including the processes and controls at manufacturing areas to prevent introduction of foreign objects into any item delivered under this Order.

Q15- FRAUDULENT/COUNTERFEIT PARTS

If suspect/counterfeit parts are furnished under this Order and are found by Advanced Aircraft Seal, such parts shall be quarantined. The Supplier shall promptly replace such items with items acceptable to Advanced Aircraft Seal and the Supplier shall be liable for all costs relating to Quarantine, removal and replacement. Advanced Aircraft Seal may turn such items over to the U.S. Office of Inspector General for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation.

Q16- SAMPLING

Supplier shall have the right to use sampling inspection plans, provided the sampling plans are in accordance with ANSI/ASQ Z1.4 (latest revision).

Q17 - TOOLING

All tooling to be used in this ORDER (provided by or owned by Advanced Aircraft Seal) is to be visually inspected prior to use for any damage, wear, contamination, serviceability to meet drawing requirements for part, completeness (are all required parts of the tool available). Results of the visual inspection are to be recorded along with the tool asset number, revision number, date of inspection, Advanced Aircraft Seal PO number, and supplier work/job order number. Recorded results of this inspection are to be validated by QA/QC (ie; stamp, signature) and forwarded to Advanced Aircraft Seal prior to starting production. (Ref: Boeing Special Tooling Requirements #D950-11059-1, latest revision)

GENERAL REQUIREMENTS

G1- CHANGE OF ADDRESS

Suppliers are required to provide written notification to Advanced Aircraft Seal should the supplier relocate its manufacturing operations.

G2- ASSIGNMENT, DELEGATION AND SUBCONTRACTING

Supplier shall not assign any of its rights of interest in this Order, or all/substantially all of its performance of this Order, without the written consent of Advanced Aircraft Seal. Supplier shall not delegate any of its duties or obligations under this contract. No assignment, delegation or subcontracting by Supplier, with or without Advanced Aircraft Seal's consent, shall relieve Supplier of any of its obligations under this Order or prejudice any of Advanced Aircraft Seal's rights against Supplier whether arising before or after the date of any assignment. This clause does not limit Supplier's ability to purchase standard commercial supplies or raw materials.

G3- LANGUAGE

When requested by Advanced Aircraft Seal, Supplier shall provide all records, reports, specifications, drawings, inspection, test results and other documentation in English.