

# AS9100 Supplier Terms & Conditions Agreement

As an aerospace supplier to Atomic Machine & EDM Inc., further abbreviated as ATM, is understood that with the acceptance of our purchase order, your organization agrees to meet the following AS9100 requirements in addition to ATM General Terms and Conditions of Purchase. These AS9100 requirements are applicable whenever ATM Purchase Orders have a “ASD” prefix present on the associated Purchase Order number or contains some similar aerospace AS9100 reference. An example of this would be PO #: 574900-ASD or 057490ASD.

These requirements are considered to be the Terms and Conditions to all Aviation, Space, & Defense, known as aerospace, related purchases.

## Quality Management System

The external supplier, including their sub-tier supplier, must have implemented a Quality Management System (QMS). ATM reserves the right to review and approve the Supplier’s Quality Management System.

Customer Directed sources must operate in accordance with approved specifications and standards, as dictated and controlled by the customer in question. The Vendor shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and all other relevant technical data.

## Point of Contact

Unless otherwise specified, the Atomic Machine and EDM (ATM) purchasing personnel which issues a purchase order may be considered the primary point of contact (POC) for all required communication.

Any communication to ATM should be made to the POC on the Purchase Order whenever the fulfillment of these Terms & Conditions is compromised. When communication is carried out verbally or through other informal means, it must be followed by an electronic format, for example email, otherwise it will be deemed as unknown to either party.

## Certification of Conformance

Requirements for certifications of conformance (CofC) shall be specified on individual purchase orders. All required CofC’s shall be made available at or before the time of delivery. The certification shall contain the signature of the Quality Representative or authorized personnel of the certifying company, as well as the date. Each lot in the shipment must be segregated and identified to include the quantity and an identifier on each CofC in order to maintain lot traceability.

CofC’s may be supplied with the shipment or emailed to the appropriate ATM POC.

## **Traceability**

If material is purchased through a distributor, the distributor must provide a CofC confirming there is no traceability loss from all intermediaries back to the source. All product shipped on each line item of each PO must be from a single traceable lot (i.e., Lot, Heat Batch, etc.) of raw material or external process.

Split or Multiple material lots must be approved by ATM prior to shipping. If a line item is to be split, the physical material must be adequately segregated and identified to the specific lot. Traceability to each individual lot of material must be maintained.

## **Test Specimen**

ATM reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics. ATM reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation, or auditing (where applicable).

Likewise, any statistical techniques used for inspection sampling must be pre-approved, such as sample inspection.

## **Nonconforming Product (Output)**

External Provider shall notify ATM of non-conforming product within 24 hours of discovery of such nonconformity, regardless of whether it would be prior, during, or after receipt of the product.

ATM does not grant disposition authority for non-conforming product and no known non-conforming product shall be shipped to us without our written authorization. Instead, the contracted external supplier shall obtain ATM approval for non-conforming product disposition.

ATM must approve any nonconforming material or product that deviates from purchase order requirements before it is dispositioned at “use-as-is” and shipped to ATMs facility.

## **Notification of Changes**

ATM requests to be notified of any relevant changes to processes, products or services, including changes to your sub-tier suppliers or location of manufacture.

Suppliers of special processes (passivation, anodizing, etc.) must notify ATM immediately of any changes in their quality system certification, registration or accreditation status.

Contact ATM immediately with any interruptions in supply or late delivery.

## **Flow Down to Sub-Tier Suppliers**

ATM does not allow its suppliers to subcontract any product or process to a sub-tier supplier without prior written consent from ATM. If a subcontractor is required, notification must be provided to ATM in writing or email, stating the service to be provided and subcontractor(s) to be used.

All requirements of the original purchase order shall flow down to all sub-tier suppliers along the supply chain. To ensure requirements are met. Suppliers shall apply appropriate controls to direct and sub-tier suppliers.

## **Supplier Corrective Actions Request (SCARs)**

Corrective Actions flowed to the External Provider shall be completed and returned in a timely manner. External Provider is required to flow down corrective action requirements to sub-tier supplier when applicable and when it is determined the sub-tier supplier is responsible for or involved in the non-conformity.

## **Incoming/Receiving Inspection**

ATM will perform incoming/receiving inspection to ensure the purchased product meets all quality requirements specified at purchasing. These requirements may include:

- Verification of all kinds of Certificate of Conformity, e.g.: service, material used, etc.
- Products are inspected to ensure they meet requirements (dimensions, etc.) and the results are recorded when appropriate.
- All special processes (plating, heat treat, etc.) where the compliance cannot be verified by ATM, will be inspected and will require Certificate of Conformity or applicable certification documents.

## **Document/Record Retention**

Document retention requirements and duration may be specified on each purchase order as appropriate. When ASQR-01 or other aerospace quality system requirements are specified on a purchase order, the minimum retention time for quality records shall be 10 years. Records must be deliverable to ATM POC within 2 business days after request.

## **Right of Access**

Suppliers shall allow ATM representatives, ATM customers, and regulatory agencies the right of entry into applicable supplier's facilities in order to determine and verify product, process, records, personnel, material, procedures and/or systems. Access to supplier's applicable documentation shall also be provided.

## **Conflict Mineral Policy**

Suppliers should maintain reasonable due diligence with their supply chains to assure that “conflict minerals” as defined by the Consumer Protection Act of 2010 and the Dodd-Frank Wall Street Reform (i.e.: gold, tantalum, tin and tungsten) are being sourced from.

- Mines and smelters out the “Conflict Region” (i.e.: the Democratic Republic of the Congo and surrounding countries)
- Mines and smelters which have been certified by an independent third party as “Conflict-free”

## **Counterfeit Product Avoidance and Mitigation**

Suppliers shall plan, implement, and control their process for the prevention of counterfeit or suspect counterfeit parts from use or inclusion into the product in accordance with AS6174, or within AS9100/AS9110/AS9120 clause 8.1.4 (Prevention of Counterfeit Parts) or other standard as appropriate to the nature of their business.

## **Foreign Object Detection**

Supplier shall maintain an FOD prevention Program. FOD program shall include the review of manufacturing processes that identify and eliminate FOD entrapment areas through which foreign objects can migrate. Seller shall ensure work is accomplished in a manner to prevent FOD in deliverable items.

Seller shall maintain work areas in a manner sufficient to preclude the risk of FOD incidents. Seller shall investigate each FOD incident and ensure elimination of its root cause.

## **Supplier Performance Monitoring**

ATM will monitor all suppliers’ performance by evaluating On-Time Delivery rate and Product Quality Defect rate. When either one of these metrics are at risk of being met by the supplier, contact your ATM POC to negotiate a revised due date.

If and when other metrics may be applied as necessary, these will be communicated through individual purchase orders or email when needed.

## Other requirements

Additional requirements may be detailed on purchase orders as appropriate; these may include:

- ATMs approval of:
  - Products and services
  - Methods, processes, and equipment
  - The release of products and services.
- Competence, including any required qualification of personnel
- The supplier's interactions with ATM
- Control and monitoring of the supplier's performance
- Verification or validation requirements which ATM, ATMs customers, intend to perform on the supplier's premise
- Special requirements, critical items, or key characteristics
- Test, inspection, and verification of processes
- Use of statistical techniques for product acceptance
- Use of ATM approved external providers. Including process sources.
- Ensuring that personnel are aware of
  - Contribution to product/service conformity.
  - Contribution to product safety.
  - Importance of ethical behavior.

**EXTERNAL PROVIDERS WILL ENSURE, WITH THE ACCEPTANCE A PURCHASE ORDER, THAT PERSONS ARE AWARE OF THEIR CONTRIBUTION TO PRODUCT OR SERVICE CONFORMITY, INCLUDING THEIR CONTRIBUTION TO PRODUCT SAFETY AND THE IMPORTANCE OF ETHICAL BEHAVIOR.**