

## **PURCHASE ORDER QUALITY REQUIREMENTS** (updated 1/22/2020)

By accepting this purchase order the supplier agrees to all terms and conditions listed herein.

- (1) The Supplier shall maintain a Quality Management System compliant with ISO9001, AS9100, NADCAP or Quality Management System approved by TERRY'S Machine Purchasing and Quality.
- (2) All applicable product related certificates to be sent with each shipment.
- (3) Supplier acknowledges TERRY'S right of access to its facilities, related products and quality records at any time, by TERRY'S, its customer, or regulatory authorities for verification and validation activities
- (4) Supplier shall flow down the applicable requirements in this purchasing document throughout its entire supply chain.
- (5) Supplier to notify TERRY'S immediately of any significant changes to their QMS status, unexpected anomalies, non-conformances, changes in product and/or process, changes of suppliers, and/or changes of manufacturing facility location. TERRY'S reserves the right to review and approve such changes or incidents before work can proceed.
- (6) In the event that any non-conforming product has been found to have shipped to TERRY'S and has escaped the suppliers quality system, the supplier shall issue a Notification of Escapement in writing via email or other communication within 24 hours of discovery of the escapement.
- (7) Supplier acknowledges it shall apply suitable corrective action when presented with TERRY'S complaints, nonconformance and/or corrective action reports.
- (8) Supplier inspection shall assure applicable drawings, specifications, and quality requirements are compatible with current purchase order and are available and in use by supplier manufacturing and inspection personnel. Latest revisions shall apply unless otherwise noted on the purchase order.
- (9) Suppliers of direct production and machined parts require First Article Inspection in accordance with SAE AS9102 prior to shipment of parts. A complete FAI must be submitted prior to shipment of product. Partial or full First Article Inspection for affected characteristics is required for changes in product design; supplier's manufacturing process changes, or other events per AS9102 requirements. FAIR records shall be retained for the life of the product.
- (10) Records pertaining to the manufacture, inspection and test of TERRY'S products shall be retained for a minimum of eleven (11) years. The supplier shall maintain parts traceability records as required per applicable drawing and specification requirements. The supplier's certificate of conformity package shall include parts traceability data. Supplier shall also flow down record retention requirements to their sub-tiers. Records must be stored in an area which meets all local Fire and Life Safety Codes that prevents loss, damage or deterioration. All data

stored by electronic means shall be secure with periodic system back- ups and audited to maintain the integrity of the data.

- (11) The Supplier shall establish, document and maintain a Foreign Object Debris (FOD) prevention program, involving the processes at Supplier's (or Supplier's sources of manufacturing, test, and inspection operations to prevent introduction of foreign objects/debris into any product delivered under this Purchase Order.
- (12) The seller shall establish and implement test and inspection activities necessary to assure the authenticity and conformance of purchased materiel in compliance with AS6174 Requirements.
- (13) Tooling including inspection equipment furnished by TERRY'S or TERRY'S customers does not relieve the supplier of the responsibility of proving the adequacy of all tooling. Any anomalies found in such tooling must be immediately reported to the appropriate TERRY'S Procurement Representative. All TERRY's furnished tools must be maintained and returned with order as applicable.
- (14) Certificate of Compliance signed by duly authorized representative of the supplier is required with each shipment stating product meets all applicable drawings and specifications, and evidence of such is on file subject to examination by TERRY'S Machine, its customers, and regulatory authorities (C of C can be a separate document from the packing sheet, or included on the packing sheet).
- (15) All received products and material supplied are subject to independent verification testing including physical and chemical analysis by an independent laboratory.
- (16) The supplier under this purchase order hereby is given the delegation of authority for verification of test data against the provided certificate and validation of furnish chemical and/or physical test reports and/or raw material certifications and acknowledges that the information provided are verified, validated, and found to be in compliance with TERRY'S Machine purchase order requirements.
- (17) Supplier shall notify TERRY's appropriate buyer regarding material or part obsolescence as soon the information is available, with expectation of at least six months prior to last date an order will be accepted.
- (18) Special Process suppliers (plating, coating, painting, Thermal Treatment, Testing, etc.) shall maintain compliance and certification per AS9003 or NADCAP (AC7004) unless otherwise approved in writing by TERRY's Machine.
- (19) Where applicable, supplier will provide test specimens for design approval, inspection/verification, investigation and/or auditing.
- (20) Comply with all statutory and regulatory requirements.
- (21) Parts shall be protected during handling, processing and shipment from any/all damage. Parts shall be free of burrs and sharp edges as per supplied drawing.

**TERRY'S MACHINE & MANUFACTURING, INC.**

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- (22) The supplier shall communicate to ensure its employees are aware of their contribution to product or service conformity, applicable product safety, and importance of ethical behavior.
- (23) As TERRY'S Machine deems necessary, the supplier's quality and delivery performance shall be monitored and/or reported for the suppliers review and possible action.
- (24) The supplier shall establish and maintain documented procedures to control, calibrate and maintain inspection, measuring and test equipment (including test software) used by the supplier to demonstrate the conformance of product or service to the specified requirements (N.I.S.T. traceable per ANSI/NCSL Z 540.1). Inspection, measuring and test equipment shall be used in a manner which ensures that measurement uncertainty is known and is consistent with the required measurement capability.
- (25) The calibration Laboratory shall have a quality system accredited certification or compliance to ISO 17025. All calibration services performed shall have documented traceability to NIST standards per ANSI/NCSL Z540.3 to demonstrate their conformance to the specified requirements.
- (26) Where product requires shelf life control, each unit package, as a minimum, must be identified with the part number, date of manufacture, date of storage expiration, name of manufacturer. At least 75% of the original Shelf Life or one year minimum must remain at the time of receipt at TERRY'S Machine, unless otherwise specified on the Purchase Order.