Quality Appendix for Adams Campbell Terms and Conditions

1. **Conforming Product & Qualification of Personnel, Processes and Equipment**. Initial acceptance of the product or service by Purchaser in no way diminishes or relieves the Supplier from its responsibility to produce acceptable products or services for which they were contracted, or for any liabilities resulting from the failure to meet Purchase Order requirements. Supplier must possess a quality system appropriate to the type of process or product they are providing. Special Processing suppliers (heat treat, and plating & finishes) must meet the applicable requirements of either ISO9001, AS9100, NADCAP, or similar quality standards, or written approval from the Purchaser. By accepting this Purchase Order, Supplier also represents and ensures that it is capable of performing the contracted processes and has adequate resources necessary to perform the work being contracted. Supplier must ensure personnel performing the processes involved with the product or services are qualified as required by the applicable trade standards, specifications, codes or laws.
2. **Calibration, Control of Nonconforming Product**. Calibration of Inspection, Measuring, and Test Equipment (IMTE) is performed in accordance with normal, acceptable ISO practices. Nonconforming product is positively identified and controlled to preclude intermingling with acceptable product.
3. **Certificate of Conformance**. Supplier will provide a Certificate of Conformance (“C of C”) or similar document with each delivery of product. The C of C shall acknowledge conformance to the Purchase Order and carry:

* the processes performed.
* the specification and revision level applicable to the work (if any). When not specified otherwise, the Supplier is required to work to the latest specification revision level.
* the part number and revision.
* the signature of an authorized Supplier representative.

Even if is not explicitly stated on the Supplier’s C of C, Purchaser considers the Supplier’s C of C as the Supplier’s acknowledgment that the C of C serves as its warranty that the goods or services were processed or provided in good faith compliance with the Purchase Order requirements.Otherwise, no work is to be performed and Purchaser is to be immediately contacted. In addition, the Supplier’s C of C is a warranty that:

* any material supplied by Purchaser is the same lot of material processed or used to produce the parts delivered if required by PO.
* any and all lot by lot or periodic testing required for the process being performed has been or is periodically performed in accordance with the controlling specification(s).
* Supplier still retains responsibility for any applicable Client approval (with no applicable limitations) for the processes being performed.

1. **Inspection.** The product is only acceptable if it meets all the requirements of the Purchase Order and Supplier is responsible for verifying that it has met such requirements prior to shipping. All shipments and work will be subject to inspection by Purchaser. If Purchaser discovers any damage, shortfalls, or non-conforming product or work (“**deficiencies**”), notice will be given to Supplier, and Supplier shall promptly remedy the deficiencies at its sole cost and expense within 3 calendar days of such notice. Purchaser may reject any deficient work, materials, or equipment. Purchaser may deduct from any amount owed to the Supplier the reasonable cost of re-inspecting rejected work, materials, or equipment. If Supplier fails to timely or adequately correct the deficiencies, Supplier is responsible for Purchaser’s cost of correcting such deficiencies, including the cost of obtaining conforming product or work from a different supplier.
2. **Corrective Action.** Supplier is responsible for determining and implementing the corrective action and for performing follow-up actions to verify the effectiveness of corrective actions related to deficiencies. All corrective action requests shall be answered by completing the form supplied by Purchaser or by completing a form of its own design that includes the following information: (i) root cause of deficiency, (ii) corrective action, (iii) verification, (iv) follow-up activities, and (v) affectivity. The corrective action information shall be provided by Supplier by the due date reasonably requested by Purchaser.
3. **Setoffs and Withholds.** Purchaser may offset any amounts which may become payable or are owing to Supplier under this Purchase Order or any other agreement between Purchaser and Supplier. Purchaser may withhold payment, in whole or part, if Supplier’s work is deficient or non-compliant with Purchase Order requirements. Payment will be made if and when the reason for withholding has been removed to Purchaser’s reasonable satisfaction.
4. **Safety and Protection of Work.** Supplier shall comply with all safety requirements and laws governing its performance and work. Supplier shall protect the work, adjacent property, and public, and will be responsible for any damage or injury due to its act or neglect.
5. **Conflict Minerals.** Material suppliers are subject to Dodd-Frank Wall Street Reform and Consumer Protection Act. Minerals considered Conflict Minerals are Tin, Tantalum, Tungsten or Gold that may have originated from mines in the Democratic Republic of Congo or one of its nine bordering nations. The covered countries are Democratic Republic of Congo, the Republic of Congo, Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and Angola. Supplier shall review its sources for raw materials and determine if any of Supplier’s source products are from the smelters that purchase minerals from mines in the companies listed above. Purchaser will advise Supplier if Supplier is required to complete a Conflict Minerals Report Template identifying the source of its products.
6. **Specific Processing Requirements.** The following sections apply according to the type of work being performed.
   1. **Material and Hardware Suppliers**: Material suppliers shall ensure material ‘mill heat lot number’, alloy, or type of material, as applicable, is positively controlled and identified on delivered material. Fastener Quality Act requirements apply to applicable hardware.
   2. **Machining Suppliers**:

* No welding or repairing processes shall be performed on Purchaser’s parts without the prior written approval of the Purchaser.
* Actual inspection readings must be supplied for each job.
  1. **Plating, Finishes, and Heat and Treating Suppliers**:
* Processes that alter the physical / chemical properties of the product are monitored and controlled in accordance with any applicable specification requirement and have any lot by lot or periodic testing required by the governing processing specification performed (refer to paragraph 12). Purchaser must be immediately notified of the failure of any such tests affecting the product in the form of a Disclosure Letter listing the affected Purchaser Order’s part numbers, part quantities, affected processes, and processing dates.
* All applicable processes must be performed in accordance with Rule 1124 of the South Coast Air Quality Management District (California) and/or any other local, state, and federal environmental regulations, as applicable.
* All plating and finishes must be adequately packaged to protect from damage.
* Plating and Finishes Suppliers must package as follows:
  + Per specific Purchase Order instructions, if stated.
  + If not stated, all parts must be individually wrapped in paper (newspaper is never allowed and black or gray painted parts cannot have cardboard touching them).
  + Parts boxed or palletized (depending on size/weight). Boxes / Parts must not extend over the pallet edges.
  + Plated and painted parts must have complete, adequate coverage and be free of defects (such as fish-eyes, pin-holes, etc.).
  1. **Defective Product**: Supplier is liable for all damages and additional costs, including Purchaser’s expense and any transportation charges associated with receiving from and returning parts to Purchaser’s Client when parts are rejected by the Purchaser or its Client because the product is defective.
  2. **Calibration Suppliers**:Compliance to applicable ISO requirements must be shown at Purchaser’s request.

1. **Inspection.** Purchaser must be given access to and may inspect all work performed by Supplier.
2. **Audits.** The Supplier’s quality control system may be subject to initial and periodic audits, at a frequency determined by Purchaser or its Client, for the purposes of determining compliance to this or any other contractually imposed requirement.
3. **Access.** Supplier acknowledges that Purchaser, its Client, or any applicable government agency has the reasonable right of access to the Supplier’s facility for the purposes of retrieving work placed at the facility or witnessing any or all contracted processing performed. This right of access includes the supplier providing reasonable facilities, the equipment and applicable quality records related to the work, and assistance in the course of the visit.