



# ABSOLUTE TECHNOLOGIES, Inc.

## Purchase Order Clauses

ATIWI 7.4.2-1

Process Leader: Purchasing Manager

Page 1 of 6

### 1. SCOPE

The purchase order clause requirements specified in Section 2 apply to all suppliers. The additional clauses specified in Section 3 apply as shown in the table below.

Supplier or Product/Service Type	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26
Raw Material <sup>12</sup>	X	X	X	X								X		X	
Castings & Forgings	X	X	X	X	X	X	X	X						X	
Raw Material & Case Hardening Testing				X	X	X									
Machining				X			X	X							
Nonconventional Machining				X	X	X	X	X							
Special Processing				X	X	X									
Hardware				X								X		X	
Calibration									X						X
Chemicals & Material with Shelf-Life										X					
Maintenance & Service of Machine Tools													X		
Machine Tools											X				
Cutting Tools												X			
Inspection Equipment				X											
Manufactured Complete Components	X	X	X	X	X	X	X	X				X		X	

<sup>1</sup> The additional purchase order clauses Q12-Q15, Q25 & Q26 do not apply to raw material purchased for non-production items. Raw material purchased for non-production items is designated by an ATI purchase order number that begins with the letter "T".

<sup>2</sup> Purchase order clause Q23 does apply to raw material purchased for non-production items.



## 2. GENERAL REQUIREMENTS

**Q1. Flow Down Requirements** – All requirements specified in the Absolute Technologies, Inc. (ATI) Purchase Order Clauses Q1-Q11 and the applicable product-specific clauses shall be flowed down to sub-tier suppliers. If any customer quality requirements are stated on ATI's purchase order, then those shall also be flowed down to sub-tier suppliers.

**Q1a.** The supplier shall ensure that all persons supporting the purchase order are aware of their contribution to product/service safety and conformance as well as the importance of ethical behavior.

**Q1b.** Suppliers will be measured based on their delivery (90% minimum) and quality (95% minimum or 50,000 DPPM) performance.

**Q2. Right of Entry** – ATI, its customers or any applicable regulatory agency shall have right of access to all facilities involved in the order at any level of the supply chain and to all applicable records.

**Q3. Quality System** – The supplier shall maintain a quality and calibration system that complies with ISO 9001:2008 minimum or equivalent. The supplier shall control sub-tier procurements to the extent necessary to ensure conformance to the quality requirements of the purchase order.

**Q4. Notification of Nonconforming Product** – The supplier shall immediately notify ATI Purchasing and Quality when it is suspected or known that nonconforming material has been produced or delivered. The notification must include a clear description of the actual or suspected nonconformance.

**Q5. Notification of Inability to Ship** – The supplier shall notify ATI Purchasing as soon as it has been determined that supplier is not able to ship as specified.

**Q6. Changes in Product, Processes, Suppliers or Manufacturing Location** – The supplier shall notify ATI Purchasing or Quality of any changes in product or process definition, suppliers, or location of the manufacturing facility.

**Q7. Use of Customer-Approved Special Process Sources** – The supplier shall use and direct sub-tier suppliers to use ATI's customer-designated suppliers as instructed in the customer quality requirements flowed down on ATI's purchase order.



# ABSOLUTE TECHNOLOGIES, Inc.

## *Purchase Order Clauses*

ATIWI 7.4.2-1

Process Leader: Purchasing Manager

Page 3 of 6

- Q8. Packaging & Preservation** – The supplier shall ensure that packaging and preservation is adequate to prevent damage or deterioration during shipment to ATI.
- Q9. Records** – Supplier shall retain and maintain quality records associated with product shipped to ATI from deterioration for a minimum of ten years unless otherwise specified by purchase order within the customer quality requirements.
- Q10. Hazardous Material** – The supplier shall furnish applicable Material Safety Data Sheets for products designated by industry, state, or federal agencies as hazardous materials.
- Q11. Release of Information** – Except as required by law, no public release of any information, confirmation or denial of the subject matter of this purchase order shall be made without prior written authorization by ATI's or its customer. Access to the information contained in this order shall be provided only to employees or suppliers "with the need to know" (for the performance of this order) and who are under obligation to hold such information in confidence.



### 3. ADDITIONAL PRODUCT-SPECIFIC REQUIREMENTS

**Q12. OEM's Certificates of Analysis** – Mill or product certificates denoting chemical and physical properties to specification listed on purchase order shall accompany each lot/shipment. Certificates shall be provided that show full traceability from original manufacturer to distributor (if applicable) to ATI's purchase order.

**Q13. Specialty Metals** – Unless otherwise stated on the purchase order, specialty metals identified in DFARS Clause 252.225-7009, which have been melted inside of the United States, its outlying areas or a qualifying country are preferred. Any exception must be approved by ATI Purchasing and documented on the purchase order prior to shipment.

**Q14. Segregation of Product** – Raw materials must be supplied in single heat lots only. Supplier must obtain approval from ATI Purchasing prior to shipping multiple heat lots. If permission is granted, the material must be shipped in separate, clearly identified containers, bundles or skids. The supplier shall not mix material of any type. Material of different type, thickness, etc., must be shipped in clearly identified and separate containers, bundles, or skids.

**Q15. Certificate of Conformance** – The supplier shall submit one copy of the Certificate of Conformance and/or processing certification(s) with each shipment.

**Q16. Required Test Specimens** – The supplier shall provide test coupons or specimens as requested by ATI's purchase order.

**Q17. Required Test, Inspections & Related Instructions** – The supplier shall perform or obtain tests and/or inspections and provide the resulting data to ATI Purchasing prior to shipment or with shipment of the product, as instructed on ATI's purchase order.

**Q18. Inspections** – A dimensional inspection report is required with shipment when required as stated on the purchase order.

**Q19. First Article Inspections** – First article inspections must conform to AS9102. When required per AS9102, the first article inspection report is required with shipment.

**Q20. Calibration Services** – Calibration certificate traceable to NIST is required with shipment.



**Q21. Chemicals & Materials with Limited Shelf-Life** – Supplier shall submit a Material Safety Data Sheet with the shipment of chemicals. If material has a limited shelf-life, then a Certificate of Conformance with the following information is also required:

- Reference to the ATI purchase order and line item numbers
- Identifying nomenclature such as item name, part number, revision and serial numbers
- Batch and/or lot numbers
- Manufacturer's name (if not supplier)
- Quantity shipped
- Date of manufacture
- Date of expiration
- Any special storage conditions for the material

**Q22. Machine Tools** – Factory inspection/test report is required with delivery and installation of machine tools.

**Q23. No Substitutions** – No substitutions or use of alternate part numbers or materials are allowed unless otherwise specified on the ATI purchase order.

**Q24. Maintenance & Service of Machine Tools** – Maintenance or service report is required with record of work performed.

**Q25. Counterfeit Material** – Suppliers shall have established a documented process to mitigate the risk of use/supply of fraudulent and counterfeit items. The process shall be established to the requirements of AS5553 for electronic items or AS6174 for non-electronic items. For military programs, the applicable Defense Federal Acquisition Regulation Supplement DFARS for government contracts (i.e., DFARS 252.246-7007) shall also be applicable.

**Q26. Eye Examinations** – Unless otherwise specified, procedures shall be implemented to ensure that eye examinations, including visual acuity and color vision, as applicable, are administered by a medically qualified/trained person to all individuals performing calibration for measurement & test equipment that require visual acuity. Intervals shall not exceed one year. Individuals shall be tested in at least one eye, either corrected or uncorrected. Color perception testing is required one time only. Individuals shall be capable of adequately distinguishing and differentiating colors used in the calibration activity, as applicable. Records shall be retained for each individual. *Note: Vision tests may be substituted for persons compliant with minimum near vision requirements of Snellen 14/18, (20/30) or Jaeger 2, provided the equivalence is verified and documented by a licensed optometrist or ophthalmologist.*



# ABSOLUTE TECHNOLOGIES, Inc.

## Purchase Order Clauses

ATIWI 7.4.2-1

Process Leader: Purchasing Manager

Page 6 of 6

### 4. DOCUMENT HISTORY

Revision	Date	Description of Change	Process Leader Approval
<i>N/C</i>	<i>12/22/15</i>	<i>New Document</i>	Tim Bergquist
<i>A</i>	<i>5/26/17</i>	<i>Added Q25 &amp; revised footnote 1</i>	A. Tovar
<i>B</i>	<i>6/5/17</i>	<i>Added manufacture complete supplier type, revised Q12, selected Q23 &amp; Q25 for hardware</i>	A. Tovar
<i>C</i>	<i>10/25/17</i>	<i>Added Q1a &amp; changed process owner to Purchasing Manager (was Quality Manager)</i>	N. Prum
<i>D</i>	<i>12/11/17</i>	<i>Removed Q11a (duplicate of Q1a), revised Q13, added Q1b</i>	N. Prum
<i>E</i>	<i>12/19/17</i>	<i>Revised Q13</i>	N. Prum
<i>F</i>	<i>8/6/18</i>	<i>Added Q26</i>	N. Prum