



Purchase Order Quality Manual

Effective 9/26/2023

General Terms and Conditions

These terms and conditions apply to all orders. The below sections are enforced on all purchase orders. These are regulatory or industrial standard terms and conditions and are nonnegotiable. In the event that work is outsourced, the supplier is responsible for ensuring their Suppliers understand and adhere to these requirements.

- A. **Acceptance and Amendments:** This purchase order is an offer by A3D, including all affiliated entities (“Buyer”), to buy goods/services from the supplier (“Supplier”) under these terms exclusively. Both are identified individually as a “Party” and together as the “Parties”. Only written modifications signed by an authorized Buyer’s Quality representative can amend these terms. Any additional or different terms from the Supplier are rejected without further notice. If this order is linked to a U.S. Government contract or if informed by the Buyer, clauses from the FAR and DFARS apply and are detailed on the buyer’s website at {{WEBSITE LINKED HERE}}. Use of subcontractors doesn’t free the Supplier from this order’s obligations.
- B. **Prices and Packaging:** Supplier's prices cover packaging suitable for the shipment method chosen by Buyer and all applicable taxes, fees, or duties, excluding separately listed recoverable VAT. Proper packaging aligning with good commercial practices is required, and the Supplier will bear costs for any damages due to inadequate packaging. No extra fees for packaging or transport are allowed unless specified in this order. All shipments should have packing slips; Buyer's count on shipments is final. Order and packing slip details must be on all invoices and shipment documents.
- C. **Delivery:**
Timely delivery is crucial for Buyer's operations. Supplier is liable for damages due to late or non-conforming deliveries, including quality-related costs and assembly line downtimes. If Supplier fails to deliver as specified, Buyer can cancel the order, source alternatives, and charge Supplier for all related losses. Early deliveries can be rejected, deferred in payment, or stored at Supplier's cost. Over shipments can be returned on Supplier's dime. Delivery should align with specified dates or Buyer's shipment releases. Buyer has priority in Supplier's schedules. Supplier must alert Buyer about potential delays and arrange advanced deliveries or warehousing as needed.
- D. **Force Majeure:** Neither Party is in default if performance delays arise from unforeseeable events like natural disasters, wars, pandemics, or government regulations ("Force Majeure Event"). Supply chain issues aren't considered Force Majeure. Supplier must notify Buyer within a day of realizing a Force Majeure delay, outlining anticipated duration and mitigation plans. During delays, Buyer can source alternatives, demand already produced goods/services, or require Supplier to source equivalent goods/services. If Supplier can't assure a delay under 30 days or delays exceed 30 days, Buyer can terminate without liability, and Supplier covers associated costs. Supplier must minimize Force Majeure impact and resume work promptly. Supplier's subcontractor-caused delays are excusable only if they stem from Force Majeure and are

unpreventable. Buyer isn't liable for non-acceptance due to uncontrollable events, including strikes, material shortages, or facility shutdowns.

- E. **Changes:** No deviations from drawing specifications are allowed without written consent from Buyer's quality department. All drawing details, including materials and tolerances, must be fulfilled upon delivery. Any incorporated material specifications must be entirely adhered to, encompassing test reports, batch testing, approved suppliers, and other stipulations. Buyer can modify drawings, packaging, delivery, quantities, or services at any time before the delivery date through written notice. If changes affect costs or delivery, Supplier must inform Buyer and, if costs rise, provide a detailed cost comparison within 20 days. The Parties will negotiate adjustments, but changes are only binding with a new order, change notice, or a signed revision. Supplier must proceed with any amended orders immediately.
- F. **Rejection / Revocation:** Payment doesn't imply acceptance of goods/services. Buyer can inspect and reject or revoke acceptance of nonconforming goods/services. Nonconforming goods can be returned, held, or reworked at Supplier's expense. Refunds or credits may be demanded for nonconformities. Supplier must replace defective goods and promptly rectify defective services / parts. For multiple issues, Supplier must provide a corrective action report within 14 business days, detailing the root cause, affected items, and a remediation plan for Buyer's approval. Acceptance of a portion doesn't obligate Buyer to accept future shipments or forfeit revocation rights.
- G. **Supplier's Quality System.** Supplier must maintain a quality system that ensures all goods and services conform to the requirements of this Purchase Order, whether manufactured or processed by Supplier or procured from sub-tier suppliers. Supplier's quality system is subject to Buyer review.
- H. **Access to Facilities and Records.** With reasonable advance notice and at no additional charge, Supplier must grant right of access to Buyer, Buyer's customers, and any regulatory authorities to the areas of facilities and sub-tier supplier locations that are involved in manufacturing or production of Products. The rights herein also include the right to conduct a product build audit or process assessment of the facilities, quality systems, and manufacturing records. Supplier will flow this right of access requirement to sub-tier supplier locations.
- I. **Quality Records.** Unless otherwise specified in the contract, Supplier must retain all records that provide evidence of conformity to specified Purchase Order requirements for a period of not less than ten (10) years after final payment or as otherwise specified from Buyer's customer contract. If Supplier is not the original fabricator, processor, or assembly source of the Product, Supplier must collect and maintain sub-tier supplier documentation on file for the same retention period. Supplier must contact Buyer prior to destruction of any records.
- J. **Corrective Action / Preventive Action.** Supplier must investigate and document nonconformances communicated by Buyer to determine root cause(s) of failures, act as appropriate to correct future failures and avoid shipping additional product with a recurrence of

the deficiency. Supplier corrective action(s) may be documented in the Supplier's format. Supplier must acknowledge and respond within the timeframe set forth in such Buyer notifications. Buyer's request for corrective actions may include performance of additional documented inspection activities prior to shipment or a partial or re-accomplishment of the First Article Inspection.

- K. **Disclosure of Nonconforming Product.** Nonconforming shipments are prohibited without prior written approval from the Buyer's Quality Representative. If Supplier discovers a nonconformity affecting a Product or a Product's performance prior to shipment, Supplier must submit a written Supplier Nonconformity Report (SNR) to the Procurement Representative for a conformity waiver. If Supplier suspects (or is aware) that an undocumented nonconformity has been shipped to Buyer, Supplier must notify the Procurement Representative of the condition in writing within three (3) business days of the discovery. Supplier must promptly notify Buyer if Supplier becomes aware or reasonably suspects that any Product is, or contains a component that is, subject to a recall notice, warning alert, or any other type of notification or concern regarding Product authenticity, quality, safety, process integrity, or specification compliance.
- L. **Resubmittal of Product.** Any Product rejected by the Buyer, or any other entity, and subsequently submitted to Buyer must be clearly identified as a resubmitted Product. Supplier's shipping document must contain a statement that identifies the shipment as containing Products that Buyer has returned for authorized rework or repairs and will refer to the applicable rejection document(s).
- M. **Counterfeit Parts.** Supplier represents and warrants that it has a counterfeit parts avoidance, detection, mitigation, and disposition program plan using acceptable standards such as AS5553 Counterfeit Electronic Parts; Avoidance, Detection, Mitigation and Disposition and AS6174 Counterfeit Material: Assuring Acquisition of Authentic and Conforming Materiel for all other material. Supplier will only deliver authentic components, devices, pieces, material, modules, assemblies, subassemblies, goods, or other items that are manufactured by or obtained from original equipment manufacturers, original component manufacturers, or authorized distributors. Supplier must make available to Buyer documentation that authenticates and provides traceability of the parts to the applicable original equipment/component manufacturers.
- N. **FOD Prevention, Ethical Behavior, and Product Conformance:** Supplier represents and warrants that it has an effective foreign object debris or damage prevention program for manufacturing areas which effectively prevents the introduction of foreign objects into any item delivered under a Purchase Order. Guidance can be found in the following standards: AS9146 Foreign Object Damage (FOD) Prevention, National Aerospace Standard 412 (NAS 412), IPC J-STD-001 or IPC WP-116. In addition, Supplier warrants that it has an effective training program for its employees as it relates to ethical behavior. Supplier warrants that it has an effective training program for its employees as it relates product conformance and how employees play an

integral part in that.

- O. **Substantiation of Purchase Order Requirements.** Supplier is responsible for performing or ensuring completion of all inspections, tests, calibrations, or other items necessary to substantiate that the Products conform to the requirements of this Purchase Order.
- P. **Shipping Documentation.** If Supplier is a distributor or other than the manufacturer of the Product, the manufacturer's name, and location (city and state) must be identified within Supplier's shipping documentation. Buyer may refuse to accept Product not supplemented by required documentation.
- Q. **Sub-Tier Suppliers.** If any Products applicable to this Purchase Order are procured by the Supplier from sub-tier suppliers, the Supplier agrees to flow the requirements of this Purchase Order (including all applicable quality requirements) to the sub-tier suppliers that are necessary to ensure Product conformity.
- R. **Calibrated Inspection Instrumentation.** The Supplier must perform all inspections and tests for conformity to design criteria using calibrated equipment that has a sensitivity level capable of detecting defects against the design requirements. For calibration service providers or test laboratories, accreditation to ISO 17025 Testing and Calibration Laboratories is preferred.
- S. **Configuration Management:** It is the responsibility of the supplier to ensure that they are working to the latest revision of specifications referenced within any purchase order documents including the purchase order, blueprints, imbedded specifications, unincorporated engineering change orders, or supplemental terms and conditions.
- T. **Special Processes:** Certification for special processes such as heat-treating, chemical processing, plating, etc., shall be submitted with each shipment when required by specifications.

Explicitly Invoked Terms and Conditions

These terms and conditions apply when explicitly mentioned on the purchase order by Clause.

QC-1 Certification of Conformance. When explicitly requested, a certification of conformance (CoC) shall be sent with the shipment. Each lot of material needs to have the following requirements met. A CoC shall contain not less than the following:

- i. Purchase Order Number.
- ii. Part Number as ordered on the Purchase Order. An Internally referenced Part numbers is not acceptable.
- iii. Part revision level. The most recent revision is always requested unless explicitly referenced on the purchase order.

- iv. Revision level of material specification if applicable.
- v. Quantity of parts. If parts are from multiple lots, each lot must be separated. A CoC detailing each lot can be provided, or a C of C for each lot.
- vi. Manufacturer's Name and Part number (If different than supplier)
- vii. Lot/Batch Number of material.
- viii. Serial Number if applicable.
- ix. A statement that the parts/materials conform to all applicable drawing and specification requirements.
- x. Shelf-life statement including product cure date if applicable.
- xi. Signature, printed title of authorized representative with organizational authority to sign c of c, and date signed.

QC-2 First Article Inspection Reports. When requested explicitly invoked on a purchase order, a First Article Inspection Report shall be submitted with the order. The First article inspection report shall follow the requirements of AS9102. Requirements to submit a new fair are also referenced in the AS9102 specification.

QC-3 Notification of Export Controlled data and ITAR Restrictions. When explicitly invoked on a purchase order, the provided technical data is subject to "Export Control." Exporting this data, in any manner, is restricted by the "Arms Export Control Act" and the "Export Administration Act of 1979." Non-compliance can lead to severe legal consequences. The Supplier is prohibited from disclosing this data to foreign individuals or entities or exporting it from the U.S. without official U.S. Government permission. Upon accepting this data, the Supplier commits to keeping it confidential and not using or revealing it except when authorized in writing. If disclosure to foreign individuals is deemed necessary for the assigned work, the Supplier must ensure it aligns with the "International Traffic in Arms Regulations" (ITAR) and inform the Buyer in advance. This notification should include information aligned with the relevant FAR/DFAR clauses for duty-free entry. If relevant to this Purchase Order, specific FAR/DFAR clauses, as current on the order's date, will be explicitly referenced and are to be considered fully incorporated.

Supplier Expectations

A3D puts our customer needs at the front of every order. Our suppliers and post process providers are a representation of our product. A3D has extremely high-quality requirements for all of our technologies, and we flow these high requirements down to our suppliers. Any supplier facilitating orders to A3D must understand and is expected to adhere to our listed expectations.

KPI	Goal	Trigger
Rejections (PPM)	<500 ppm	>1000ppm = SIP*
On Time Delivery	95% OTTD	>75% = SIP*

Supplier Improvement Plan (SIP)*. A Supplier Improvement Plan will be requested of all vendors / suppliers who fail to meet our listed standards. A SIP is a notice to a vendor of unsatisfactory performance in support of A3D orders. A3D hopes that this notice will launch a corrective action plan to drive improvement in support of A3D orders. Failure to improve metrics may result in loss of business at A3D management discretion.