



W MACHINE WORKS

Purchase Order Clauses

P-7450 Rev. S

April 18, 2016

The following Purchase Order Clauses apply, unless otherwise stated.

1. **Supplier-** will fabricate, machine, assemble, or perform service complete per WMW's part number drawing revision levels and purchase order instructions. And shall comply with Dodd Frank Act, Section 1502 Conflict Minerals requirements.
2. **Latest Rev-** Parts must be processed and certified to the latest revision of the designated specification, drawings, process requirements, inspection/verification instructions and other relevant technical data.
3. **Supplier Performance-** is measured by the number of rejections and on-time delivery and is monitored annually, at a minimum.
4. **Due date-** is specified on the purchase order and must be kept. If you are going to be late you must notify your WMW buyer and reschedule the delivery date.
5. **Inspection-** All work performed and material received under a WMW contract shall be subject to inspection by WMW and the final consumer. Suppliers producing design characteristics should use AS9102 form, QF-7500S or alternate FAIR in alignment with AS9102. Final acceptance by the final consumer is part of this contract. Rejected work may, at WMW's option, be returned to seller or be conditionally accepted. If payment has been made prior to inspection for work subsequently rejected, the supplier will immediately refund such payment or issue credit in the same amount at WMW's discretion.
6. **Right of Access-** Supplier must grant WMW, its customers, and regulatory authorities the right of access to applicable facilities, at any level of the supply chain, involved in the order and to all applicable records.
7. **Flow Down-** Supplier must flow down to their sub-tier suppliers all applicable requirements, including key characteristics and customer requirements.
8. Supplier shall notify WMW of any changes in product and/or process, changes of suppliers, changes of manufacturing facility location - Prior approval may be required.
9. **Non-conforming Product-** Suppliers must notify WMW when a non conformance is discovered and must submit, in writing, a request to deliver non-conforming product, and receive approval prior to sending it to WMW. If non-conforming product is received without prior approval, the order will be returned to the supplier.
10. **Certifications-** will be required on any and all materials and processes performed by suppliers.
11. **Certificate of Conformance-** is required when supplying material or performing a process where our customer spec is called out (e.g. Plating, heat-treat, welding, NDT)
12. **Material Certification-** Supplier shall send with the material two copies of the mill cert. Certs shall show at minimum, heat lot, size, type, specifications, and chemical/physical analysis. Unless otherwise specified, Boeing Clause D607 applies (H900 Sec.26).
13. **Process Certification-** Each shipment shall be accompanied by two copies of process certificates listing all processes (such as welding, heat-treating, surface treatments, finishing, etc.) the specification and revision to which they conform, the performing agency, if other than the supplier, and the identification of material to which it applies by part number, job number, shipper number, purchase order number, PO line #, etc.. The certificate shall include the signature and title of an authorized representative of the seller or performing agency.
14. **Quality Records-** All quality records pertaining to system, contract, or product traceability shall be kept on file a minimum of ten years or 30 years for serialized parts and be easily retrievable. Records shall also be protected, identified, and disposed of IAW WMW instructions.
15. **Quality Responsibility-** Suppliers are responsible for the quality of parts, processes or services supplied including those from approved sources. Verification by WMW does not absolve the supplier of providing acceptable product nor preclude subsequent rejection of product supplied.
16. **Source Inspection-** When specified on the P.O All work is subject to inspection at the supplier's facility by WMW prior to shipment. The supplier shall furnish without cost acceptable facilities and equipment for such inspection, and shall provide 24 hours advance notice to the buyer when items or processes are ready for WMW source inspection.
17. **Confidentiality-** The seller shall keep confidential all information received from WMW unless required during the manufacturing process. However, at No time shall the seller contact the WMW customer or final consumer unless authorized by your WMW buyer.
18. **Deviations-** Any deviation from the purchase order must be pre-approved by the WMW buyer and in writing prior to performing deviation.
19. **WMW Furnished Items-** Any tools, sample parts, programs, cutters etc. must be returned to WMW at the completion of the order. Additionally, suppliers may only manufacture/process WMW furnished material to the quantity (an additional 10% max is acceptable) documented on the PO. Excess/unused material shall be returned to WMW along with the PO delivery.
20. **Supplied Drawings-** All drawings supplied by WMW are specific to the job number referenced. Upon completion of the order the supplier must return the B.P.
21. **Customer Approved Sources-**When performing a customer controlled process, the seller shall ensure that the process is performed by an approved customer source and all required certifications are submitted to WMW.
22. **Special Processes-** Supplier shall supply WMW with any necessary certifications/records to validate that the process was done correctly. All special processes must be accomplished by trained personnel on approved equipment. Special processes must be validated prior to their use and these processes must conform with the methods and procedures written on the WMW purchase order. All special processes requiring customer approval must be accomplished according to that approval and must be approved at the time of performance. Should the supplier lose their accreditation the supplier must notify W Machine Works of these changes.
23. **Traceability-** Supplier shall maintain traceability and part integrity during processing and delivery.
24. **DFARS (Defense Federal Acquisition Regulation Supplement) -** Unless otherwise stated on the PO, all raw material supplied to WMW (unless supplied domestically) must be compliant to the latest revision of DFARS 225.872-1, All non-electrical standard parts, must have certification from the QCM/OEM or authorized AAM or Authorized distributor (Ref NGC SQAR Item 3.11 Counterfeit Prevention).
25. **ITAR (International Trading and Arms Regulation) -** Unless otherwise stated on the Purchase Order, this document (PO, BP, Model, etc.) This document contains technical data whose export is restricted by the United States Department of State in accordance with the Arms Export Control Act and the International Traffic in Arms Regulations (ITAR) or the United States Department of Commerce in accordance with the Export Administration Regulations (EAR.) Violations of these export-control laws are subject to severe criminal penalties.
26. **Corrective Action-** In the event that WMW flows down a corrective action requirement and the supplier fails to submit corrective action, WMW will place a financial hold on that supplier until acceptable corrective action is received.
27. **Communication-** All communication regarding the Purchase Order (PO) must go through the listed authorized purchasing agent.
28. **Packaging & Handling-** Products shall be returned to WMW free of contaminants such as oil (unless required by spec), FOD, coolant, etc. Product shall be packaged and handled per PO requirements. When no requirements are specified, parts shall be packaged and returned in a manner that ensures product integrity.
29. **QMS Requirements-** where appropriate, suppliers are responsible for complying with AS9100, ISO 9001, or AC7004 and notifying WMW of any changes in certification, location, or top level management.
30. **Calibration-** Calibration systems must comply with ANSI/NCSL Z540.1, ISO 10012, or ISO 17025.

31. **Acceptance Authority Media** – Supplier shall have in place a procedure ensuring proper use and tracking of Acceptance Media (e.g., stamps, electronic signatures, passwords) in regards to work completed. These procedures should also ensure that work is completed as planned, in the proper order and that all shop orders, certifications, etc, are only stamped/accepted when work has been completed properly, and by those with the organization's approval to do so.
32. **Counterfeit Material** – Supplier shall employ a Counterfeit Material Protection plan in accordance with AS6174 and/or AS5553 and meet the requirements of WMW P-7401

I. PURPOSE

The purpose of this procedure is to document the necessary avoidance, detection, mitigation, and disposition process to prevent the purchase and/or use of counterfeit material.

II. SCOPE

This procedure is applicable to all parts and assemblies procured, manufactured or sold, including but not limited to raw material and hardware. This procedure to be flowed down to supply chain via P-7450 Purchase Order Clauses.

III. PROCEDURE

1. **Definition:** For purposes of this procedure, Counterfeit Material is Fraudulent Material that has been confirmed to be a copy, imitation or substitute that has been represented, identified or marked as genuine, and/or altered by a source without legal right with the intent to mislead, deceive or defraud.

2. WMW Supplier Requirements

Suppliers shall establish and maintain a Counterfeit Parts/Material Prevention and Control Plan that meets the requirements of AS5553 and/or AS6174 as applicable. This plan shall be utilized by supplier to prevent the delivery of counterfeit materials and to control/report those materials identified as counterfeit.

Suppliers shall only purchase products to be delivered or incorporated into products to be delivered to WMW from authorized sources of said product. This includes Original Component Manufacturer/Original Equipment Manufacturer and their authorized distributors and authorized reseller. These products shall have verification (CFC, Test Reports, etc) identifying all parties involved – from the product supplier to the direct source of the product and appropriate test results. Suppliers shall establish and maintain a Counterfeit Parts/Material Prevention and Control Plan that meets the requirements of AS5553 and/or AS6174 as applicable. This plan shall be utilized by supplier to prevent the delivery of counterfeit materials and to control/report those materials identified as counterfeit.

In the event that goods can only be acquired from independent sources, due to any reason, written approval must be given. This written approval is not required for raw material or standard hardware, but these products must have traceability back to the source of the product and appropriate test results.

Suppliers shall provide written notification to WMW Quality and Purchasing if supplier becomes aware

or suspects counterfeit material was delivered to WMW within 24 hours.

Supplier's Counterfeit Material Prevention must include training of appropriate personnel, have containment and notification sections in event counterfeit material is discovered at supplier.

Suppliers shall flow down the AS6174 and/or AS5553 requirements to their subtier supplier.

3. WMW Requirements

WMW shall maintain this Counterfeit Parts/Material Prevention and Control Plan that meets the requirements of AS5553 and/or AS6174 as applicable. This plan shall be utilized by WMW to prevent the delivery of counterfeit materials and to control/report those materials identified as counterfeit.

WMW shall only purchase products to be delivered or incorporated into products to be delivered to buyer from authorized sources of said product. This includes Original Component Manufacturer/Original Equipment Manufacturer and their authorized distributors and authorized reseller. These products shall have verification (CFC, Test Reports, etc) identifying all parties involved – from the product supplier to the direct source of the product and appropriate test results. WMW shall establish and maintain a Counterfeit Parts/Material Prevention and Control Plan that meets the requirements of AS5553 and/or AS6174 as applicable. This plan shall be utilized by WMW to prevent the delivery of counterfeit materials and to control/report those materials identified as counterfeit. Suppliers must be in good standing on WMW's ASL in order to purchase product.

In the event that goods can only be acquired from independent sources, due to any reason, written approval must be given prior to purchasing. This written approval is not required for raw material or standard hardware, but these products must have traceability back to the source of the product.

WMW shall provide written notification to buyer's Quality and Purchasing if WMW becomes aware or suspects counterfeit material was delivered to buyer within 24 hours.

WMW's Counterfeit Material Prevention must include training of appropriate personnel, have containment and notification section in event counterfeit material is discovered at supplier. This notification system should include, but not be limited to the Government-Industry Data Exchange Program (GIDEP.)

WMW shall flow down the AS6174 and/or AS5553 requirements to subtier suppliers via the P-7450 Purchase Order Clauses.



IV. ASSOCIATED DOCUMENTS

| Code | Title |
|---------|---|
| P-4.2.4 | Control of Records. |
| P-4.2.3 | Control of Documents |
| P-7.4.3 | Verification of Purchased Product |
| P-7.4.2 | Purchasing |
| P-8.3 | Control of Nonconforming Product |
| P-7450 | Purchase Order Clauses |
| AS6174 | Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material |
| AS5553 | Fraudulent/Counterfeit Electronic Parts; Avoidance, Detection, Mitigation and Disposition |
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V. REVISION SUMMARY

| REV | Date | Approved By | Summary |
|-----|---------|-------------|---------|
| NC | 4/18/16 | J.Walz | Release |
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