



TERMS AND CONDITIONS STANDARD PURCHASE ORDER / CONTACT REQUIREMENTS

Q-1 QUALITY SYSTEM:

- 1) SUPPLIER NEEDS TO MAINTAIN A QUALITY SYSTEM THAT IS THIRD PARTY CERTIFIED TO AS9100 REV C AND/OR ISO STANDARDS AND/OR NADCAP AS REQUIRED OR APPROVED BY CLEARWATER ENGINEERING THROUGH COMPLETION OF QUALITY SURVEY.

Q-2 RIGHT OF ENTRY:

- 1) ALL ITEMS OF THE PURCHASE ORDER/CONTRACT ARE SUBJECT TO SURVEILLANCE, INCLUDING FACILITIES, EQUIPMENT, PERSONNEL, PRODUCT, PROCEDURES, SYSTEMS AND RECORDS AT SELLER'S FACILITY; SUCH SURVEILLANCE MAY BE JOINTLY PERFORMED BY A REPRESENTATIVE OF CLEARWATER ENGINEERING AND ITS PRIME CONTRACTOR, AND/OR THE FEDERAL AVIATION ADMINISTRATION (OR NON-DOMESTIC EQUIVALENT AGENCY)

Q-3 CUSTOMER FLOW DOWN:

- 1) REFER TO PURCHASE ORDER AND/OR CONTRACT FOR THE ADDITIONAL SPECIFIC REQUIREMENTS OF END ITEM CUSTOMER.

Q-4 MATERIAL SUPPLIERS:

- 1) PLEASE REFER TO THE SPECIFIC PURCHASE ORDER FOR EACH SPECIFIC RAW MATERIAL PROCUREMENT REQUIREMENT. DOMESTIC MATERIAL IS REQUIRED UNLESS EXPRESS WRITTEN CONSENT IS GIVEN BY CLEARWATER ENGINEERING.

Q-5 APPROVED PROCESSING SOURCES:

- 1) SUPPLIERS SHOULD USE ONLY END ITEM CUSTOMER APPROVED PROCESSING SOURCES.

Q-6 SUBCONTRACTING:

- 1) SUBCONTRACTING BY SELLER IS ALLOWED PROVIDED CLEARWATER ENGINEERING IS NOTIFIED AND ALL SUBCONTRACTS AND PURCHASE ORDERS ISSUED BY SELLER SHALL PROVIDE TO CLEARWATER ENGINEERING THE SAME RIGHTS AND PROTECTION AS CONTAINED IN THE RIGHT OF ENTRY CLAUSE.

Q-7 DRAWING CONTROL:

- 1) ALL PLANNING, DRAWING, SKETCHES, ETC., ISSUED WITH PURCHASE ORDER/CONTRACT ARE OF THE REVISION IN EFFECT ON DATE OF PURCHASE ORDER/CONTRACT AWARD. SELLER SHALL KEEP CONFIDENTIAL AND PROTECT FROM DISCLOSURE ALL INFORMATION AND PROPERTY OBTAINED FROM CLEARWATER ENGINEERING. UNLESS AUTHORIZED, SELLER SHALL USE CLEARWATER ENGINEERING SUPPLIED INFORMATION AND PROPERTY ONLY IN THE PERFORMANCE AND PURPOSE OF THIS PURCHASE ORDER/CONTRACT. UPON CLEARWATER ENGINEERING'S REQUEST, AND IN THE EVENT OF COMPLETION, TERMINATION OR CANCELLATION OF THIS ORDER, SELLER SHALL RETURN ALL SUCH INFORMATION AND PROPERTY TO CLEARWATER ENGINEERING OR MAKE SUCH OTHER DISPOSITION AS DIRECTED.

Q-8 NUMERICALLY CONTROLLED DATA:

- 1) ALL CLEARWATER ENGINEERING SUPPLIED NC DATA IS CONSIDERED REFERENCE ONLY. ALL CLEARWATER ENGINEERING'S NC DATA IS INTENDED FOR USE WITH CLEARWATER ENGINEERING IN-HOUSE EQUIPMENT ONLY. DUE TO THE POTENTIAL MISUSE(S), COMPLICATION OF INFORMATION, MACHINERY DIFFERENCES AND UPDATE ISSUES, ALL SUPPLIERS WHO REQUEST AND UTILIZE ANY NC DATA WILL AUTOMATICALLY ASSUME ALL RISKS INVOLVED. REGARDLESS OF CLEARWATER ENGINEERING NC DATA, FINAL PRODUCTS FROM SUPPLIERS MUST ALWAYS COMPLY WITH CURRENT ENGINEERING DATA.

Q-9 INSPECTION REQUIREMENTS:

- 1) DIMENSIONAL INSPECTION OF ALL UNITS, PARTS OR ASSEMBLIES IS REQUIRED FOR ALL ASSOCIATED FEATURES AND INDICATES ACCEPTANCE OR REJECTION ON APPLICABLE CERTIFICATION OR PACKING SLIP. UPON NOTIFICATION OF NON-CONFORMANCES AND RECEIPT OF A REQUEST FOR CORRECTIVE ACTION BY CLEARWATER ENGINEERING, THE SELLER MUST RESPOND WITHIN FOURTEEN DAYS OF NOTED SHIPMENT TO CLEARWATER ENGINEERING, WITH CAUSE, CORRECTIVE AND PREVENTIVE ACTION. RETURNING NON-CONFORMANCE ITEMS DOES NOT CONSTITUTE ACCEPTANCE BY CLEARWATER ENGINEERING. INDIVIDUAL NON-CONFORMANCES MUST BE ADEQUATELY IDENTIFIED. SELLER SHALL IMMEDIATELY NOTIFY CLEARWATER ENGINEERING WHEN DISCREPANCIES IN THE SELLER'S PROCESS OR PRODUCT ARE DISCOVERED OR SUSPECTED WHICH MAY AFFECT PARTS OR ASSEMBLIES' SELLER HAS DELIVERED OR WILL DELIVER.



Q-10 INSPECTION, MEASURING AND TEST EQUIPMENT (IM&TE):

- 1) SUPPLIERS PERFORMING TO PURCHASE ORDERS FROM CLEARWATER ENGINEERING ARE EXPECTED TO MAINTAIN A SYSTEM (MIL-STD- OR OTHER COMPARABLE STANDARD) TO CONTROL AND CALIBRATE IM&TE ACCORDING TO THE SUPPLIER CAPABILITY. AT A MINIMUM, SUITABLE CALIBRATION STANDARDS, TRACEABLE TO N.I.S.T. CALIBRATION CERTIFICATION(S) FOR THE CALIBRATION STANDARDS MUST BE MAINTAINED ON FILE AND AVAILABLE FOR REVIEW.

Q-11 TIME SENSITIVE MATERIAL:

- 1) WHERE TIME SENSITIVE MATERIALS ARE USED, SELLER SHALL INCLUDE ON ALL CERTIFICATIONS OR PACKING SLIPS THE FOLLOWING:
 - a. TYPE OF MATERIAL
 - b. EXPIRATION DATE
 - c. LOT OR BATCH NUMBER

Q-12 PROCESS CONTROL:

- 1) SELLER SHALL USE PROCESS CONTROL TECHNIQUES FOR ALL IDENTIFIED CHARACTERISTICS NOTED ON PURCHASE ORDER/CONTRACT, ENGINEERING DRAWINGS AND MANUFACTURE AND QUALITY PLANS. SELLER SHALL MAINTAIN RECORDS SUBJECT TO EXAMINATION, AND FURNISH COPIED OF CHARTS OR GRAPHS USED IN PROCESS CONTROL WITH SHIPMENT. SELLER SHALL EMPLOY CONTINUOUS IMPROVEMENT TECHNIQUES RELEVANT TO THEIR PART AND QUALITY SYSTEM PROCESSES.

Q-13 CLEARWATER ENGINEERING SUPPLIED TOOLING:

- 1) SELLER SHALL BE RESPONSIBLE FOR PROPER CARE, USAGE, PROTECTION AND RETURN OF ALL CLEARWATER ENGINEERING SUPPLIED TOOLING AND MEASURING EQUIPMENT USED BY SELLER FOR PURCHASE ORDER/CONTRACT COMPLETION.

Q-14 FOREIGN OBJECT DAMAGE:

- 1) SELLER SHALL MAINTAIN A PROGRAM TO CONTROL FOREIGN OBJECT DAMAGE OR CONTAMINATION DURING MANUFACTURING, ASSEMBLY, INSPECTION AND SHIPMENT.

Q-15 HANDLING PACKAGING:

- 1) SELLER SHALL PROTECT THE CONFORMITY OF CLEARWATER ENGINEERING MATERIAL, PARTS AND TOOLS DURING INTERNAL PROCESSING AND DELIVERY.

Q-16 CERTIFICATE OF CONFORMANCE:

- 1) CERTIFICATE OF CONFORMANCE (COC) OR CERTIFICATION IS REQUIRED FROM SELLER FOR PARTS AND/OR MATERIALS IN COMPLIANCE WITH APPLICABLE PURCHASE ORDER/CONTRACT, DRAWING, SPECIFICATION AND REVISION REQUIREMENTS. WHEN CLEARWATER ENGINEERING HAS SUPPLIED MATERIAL, ALL SCRAP PARTS MUST BE IDENTIFIED ON COC WITH CORRESPONDING NCR NUMBER. CLEARWATER ENGINEERING ONLY ALLOWS FOR 5% SCRAP ON CLEARWATER ENGINEERING SUPPLIED MATERIAL. WHEN 5% IS EXCEEDED A CORRECTIVE ACTION MAYBE REQUIRED (SEE Q-24)

Q-17 PART CONTROL:

- 1) SELLER AGREES NOT TO MAKE ANY CHANGE IN MATERIAL OR DESIGN, WHICH WOULD AFFECT THE PART, OR ANY COMPONENT THEREOF.

Q-18 RAW MATERIAL CONTROL:

- 1) CLEARWATER ENGINEERING FURNISHED RAW MATERIAL, FORGINGS, CASTINGS, EXTRUSIONS OR STANDARDS REQUIRE STRICT ACCOUNTABILITY BY SELLER. SELLER SHALL MAINTAIN POSITIVE INDIVIDUAL LOT INTEGRITY OF FINISHED PRODUCT AND IDENTIFICATION OF ALL RAW MATERIALS, INCLUDING FORGINGS, CASTINGS, EXTRUSIONS, STANDARDS, FINISHED PRODUCT AND ANY EXCESS MATERIAL. SELLER FURNISHED MATERIAL SHALL HAVE IN ADDITION TO THE REQUIREMENTS OF CLEARWATER ENGINEERING FURNISHED MATERIAL, COMPLETE AND VERIFIED CERTIFICATIONS AND TEST REPORTS CONTAINING ALL NECESSARY INFORMATION FOR ACCEPTANCE BY CLEARWATER ENGINEERING QUALITY ASSURANCE DEPARTMENT. SELLER SHALL NOT SELL OR DISPOSE OF ANY PROPRIETARY PROPERTY SUCH AS EXCESS MATERIAL OR DEFECTIVE ITEMS WITHOUT AUTHORIZATION FROM CLEARWATER ENGINEERING. CLEARWATER ENGINEERING ALLOWS FOR 5% SCRAP ON SUPPLIED MATERIAL ALL SCRAPPED PARTS USING CLEARWATER ENGINEERING MATERIAL MUST BE RETURNED.



Q-19 SERIALIZATION:

- 1) AS APPLICABLE, SERIAL NUMBERS SHALL BE ASSIGNED BY CLEARWATER ENGINEERING, APPLIED ON ALL PRODUCTS, AND RECORDED ON ALL REQUIRED DOCUMENTATION BY SELLER. ASSIGNED SERIAL NUMBER SHALL NOT BE ALTERED OR REPLACED.

Q-20 PROCESSING:

- 1) CERTIFICATION IS REQUIRED FOR ALL SPECIAL PROCESSING (E.G. HEAT TREAT, PENETRANT INSPECT, SHOT PEEN, ETC.). SPECIAL PROCESSES SHALL ONLY BE PERFORMED BY APPROVED SOURCES AS SPECIFIED IN APPLICABLE PURCHASE ORDER/CONTRACT, DRAWING AND/OR SPECIFICATION. FUNCTIONAL TEST REPORTS OR RESULTS SHALL BE FURNISHED BY SELLER AS REQUIRED BY THE APPLICABLE PURCHASE ORDER/CONTRACT, SPECIFICATION OR DRAWING.

Q-21 FIRST ARTICLE INSPECTION:

- 1) SELLER SHALL PERFORM FIRST ARTICLE INSPECTION ON FIRST UNIT USING, PART OR ASSEMBLY FOR EACH ITEM OF THE PURCHASE ORDER/CONTRACT. DOCUMENTED RESULTS SHALL SHOW ACTUAL DIMENSIONS OR VALUES OF EACH FEATURE AND BE AVAILABLE UPON REQUEST. FIRST ARTICLE INSPECTION REPORTS DO NOT CONSTITUTE ACCEPTANCE BY CLEARWATER ENGINEERING. FIRST ARTICLE REQUIREMENTS ARE MANDATORY. FAI MUST BE COMPLETED ON AS9102 FORM, AT MINIMUM FORM 1 AND 3 MUST BE COMPLETED.
- 2) FOR SPIRIT PARTS ONLY, ALL FAI'S MUST BE SUBMITTED THROUGH NET INSPECT AND MUST COMPLY WITH SPIRIT MAA1-10042-2 REQUIREMENTS.

Q-22 QUALITY RECORDS:

- 1) ALL QUALITY RECORDS MUST BE LEGIBLE, STORED AND RETAINED IN A SUITABLE ENVIRONMENT TO PREVENT DAMAGE, DETERIORATION OR LOSS. QUALITY RECORDS SHALL BE RETAINED A MINIMUM OF SEVEN YEARS, UNLESS SPECIFIED OTHERWISE BY PURCHASE ORDER/CONTRACT. QUALITY RECORDS - HARD COPY, ELECTRONIC OR OTHER MEDIA THAT DEMONSTRATE CONFORMANCE TO SPECIFIED REQUIREMENTS AND VERIFY EFFECTIVE OPERATION OF THE QUALITY SYSTEM.

Q-23 TAX:

- 1) ITEMS PURCHASED UNDER THIS PURCHASE ORDER/CONTRACT BY CLEARWATER ENGINEERING ARE FOR RESALE, NOT SUBJECT TO KANSAS STATE AND LOCAL SALES OR USE TAX.

Q-24 CORRECTIVE ACTION:

- 1) THE SUBCONTRACTOR SHALL HAVE AN EFFECTIVE PROGRAM FOR TIMELY INVESTIGATION, STOCK PURGE, AND CORRECTIVE ACTION AND FOLLOW UP, FOR REJECTIONS INITIATED BY BOTH THE SUBCONTRACTOR AND CLEARWATER ENGINEERING. WHEN THE SUBCONTRACTOR DISCOVERS DISCREPANCIES THAT MAY ALSO EXIST IN PRODUCTS ALREADY DELIVERED TO CLEARWATER ENGINEERING, WRITTEN NOTIFICATION TO CLEARWATER ENGINEERING WITH THE DETAILS IS REQUIRED. DISCREPANCIES WILL BE REPORTED TO THE SUBCONTRACTOR AND FORMAL CORRECTIVE ACTION WILL ALSO BE REQUIRED WITHIN 30 DAYS. FAILURE TO ANSWER WITHIN THE ALLOTTED TIME MAY RESULT IN SUSPENSION OF THE SUBCONTRACTOR FROM THE APPROVED SUPPLIER LIST. IT IS REQUIRED TO USE AT LEAST 1 INDUSTRY RECONIZED TOOL TO IDENTIFY ROOT CAUSE THAT WILL HELP ELIMINATE FUTURE OCCURENCES. IE., 5 WHY'S, ISHIKAWA CAUSE AND EFFECT/FISHBONE DIAGRAM OR CAUSE MAP.

Q-25 NOTIFICATION OF CHANGE:

- 1) THE SUBCONTRACTOR SHALL NOTIFY CLEARWATER ENGINEERING IN WRITING OF ALL PROCESS, DESIGN, FABRICATION, TESTING, FACILITIES AND MATERIAL CHANGES AFFECTING THE FORM, FIT, FUNCTION, RELIABILITY OR INTERCHANGEABILITY OF END ITEM SPECIFICATION OR DRAWING REQUIREMENTS DURING THE PERFORMANCE OF THE CONTRACT. THE SUBCONTRACTOR SHALL AFFORD CLEARWATER ENGINEERING THE OPPORTUNITY TO EXAMINE SUCH CHANGES FOR COMPLIANCE TO THE CONTRACTUAL REQUIREMENTS INCLUDING ANY NECESSARY APPROVALS.

Q-26 UNAUTHORIZED CHANGE IN PROCESSES, MATERIALS OR SPECIFICATIONS:

- 1) SUBCONTRACTORS SHALL NOT SUBSTITUTE OR CHANGE ANY PROCESSES, MATERIALS OR SPECIFICATIONS AS DEFINED ON THE PURCHASE ORDER WITHOUT PRIOR CLEARWATER ENGINEERING APPROVAL. SPECIFICATIONS/STANDARDS LISTED ON THE PURCHASE ORDER SHALL BE OF THE LATEST CURRENT REVISION STATUS AVAILABLE UNLESS IDENTIFIED ON THE PURCHASE ORDER. NOTE: UNLESS OTHERWISE SPECIFIED USE OF SUPERSEDING INDUSTRY OR MILITARY STANDARD SPECIFICATIONS SHALL BE ACCEPTABLE PROVIDED A NOTICE OF CANCELLATION AND/OR SUPERSESSION CAN BE OBTAINED BY CLEARWATER ENGINEERING AS VERIFICATION.



Q-27 Purchasing information describes the product to be purchased, including where appropriate:

- 1) REQUIREMENTS FOR APPROVAL OF PRODUCT, PROCESS AND EQUIPMENT;
- 2) REQUIREMENTS FOR QUALIFICATION OF PERSONNEL;
- 3) SPECIAL REQUIREMENTS, CRITICAL ITEMS, OR KEY CHARACTERISTICS;
- 4) TEST, INSPECTION, AND VERIFICATION (INCLUDING PRODUCTION PROCESS VERIFICATION);
- 5) THE USE OF STATISTICAL TECHNIQUES FOR PRODUCT ACCEPTANCE AND RELATED INSTRUCTIONS FOR ACCEPTANCE BY THE ORGANIZATION;
- 6) QMS REQUIREMENTS OUTLINED IN THE PURCHASING PROCEDURE.
- 7) THE RIGHT OF ACCESS BY CLEARWATER ENGINEERING, OUR CUSTOMERS, AND REGULATORY AUTHORITIES TO THE APPLICABLE AREAS OF FACILITIES AND TO APPLICABLE DOCUMENTED INFORMATION, AT ANY LEVEL OF THE SUPPLY CHAIN;
- 8) ENSURING THAT THEIR EMPLOYEES ARE AWARE OF THEIR CONTRIBUTION TO PRODUCT OR SERVICE CONFORMITY, THEIR CONTRIBUTION TO PRODUCT SAFETY, AND THE IMPORTANCE OF ETHICAL BEHAVIOR
- 9) CLEARWATER ENGINEERING HAS PLANNED AND IMPLEMENTED CONTROLS IN OUR PROCESSES TO ENSURE THE PREVENTION OF COUNTERFEIT OR SUSPECT COUNTERFEIT PART USE AND THEIR INCLUSION IN PRODUCT(S) DELIVERED TO OUR CUSTOMERS. THE PROCESSES INCLUDES THE USE OF OUR CUSTOMER'S APPROVED PROCESSING SOURCE LISTS, AND QUARANTINE AND REPORTING OF SUSPECT OR DETECTED COUNTERFEIT PARTS. THIS REQUIREMENT IS FLOWED DOWN TO OUR SUPPLIERS AS PART OF AS9100 REV D AND OUR TERMS AND CONDITIONS OF DOING BUSINESS WITH CLEARWATER ENGINEERING