

# SHELTON INDUSTRIAL PATTERN INC.

8925 Zev Avenue      Berkeley, MO 63134  
(314) 521-4401      Fax (314) 521-2928

## PURCHASE ORDER PROVISIONS

This attachment is an integral part of the purchase order. Seller shall refer to the purchase order and the PS (part specification) for applicable clauses.

### Definitions:

- "Seller": Supplier of materials, parts and or services that support production
- "Supplies": materials, parts that support production
- "FOD": Foreign Object Debris / Damage

### **1. Quality Management System (QMS)**

The Seller shall have a documented and effectively implemented Quality Management System (QMS) adequate to assure conformance of the materials or services, covered by this purchase, and to all applicable requirements.

The Seller shall prepare and maintain written instructions for inspections and tests performed on this purchase order. The instructions shall include identification of the item to be inspected or tested, measuring and test equipment to be used, details of inspection and test operations to be performed, and the criteria for determining conformance to purchase order requirements.

The Seller shall implement and maintain a planned system and procedures for controlling all contractual documentation, drawings, specifications, and manufacturing and test planning. This system must ensure the production of parts and materials to the proper configuration requirements at the appropriate effectivity points.

Final acceptance of materials provided under this purchase order will be based on Receiving Inspection at destination of shipment.

### **2. Product Sampling**

The Seller's QMS is to comply with the latest implemented revision of ANSI/ASQC Z1.4 "Sampling procedures and tables for inspection by attributes"

3. The Seller shall maintain a QMS that complies with the latest implemented revision of ISO 9001 and/or SAE AS9100 (QMS Requirements). Compliance with the provisions of this clause in no way relieves the Seller of the final responsibility to furnish acceptable supplies or services as specified herein.

### **4. Control of Sub-Tier Suppliers**

The Seller shall ensure that Seller's sub-tier suppliers are capable of attaining and maintaining the required level of quality and reliability. Records of sub-tier supplier's performance shall be maintained and reviewed with them as necessary.

Suppliers shall impose on sub-tier suppliers:

- Specifications (using military specifications where possible), and
- Acceptance criteria, and
- Contractual quality and reliability requirements.

The extent of the requirements will be based on the type and scope of the item, product, or service being procured. The product quality program of the Seller shall contain necessary provisions for surveillance of the sub-tier supplier product quality activities to assure satisfactory performance, assist in problem solution, and provide rapid feedback for corrective action as necessary.

### **Records**

The Seller and all sub tier suppliers shall retain for a minimum of ten (10) years upon completion of contract or as required by customer or Regulatory body. Records shall be protected and retrievable.

### **4.1 Supplier and Sub-tier Tooling Control**

The Seller and Sub-tier supplier(s) shall comply with Boeing Document D950-11059-1 and FAR 52.245-1 as required.

NOTE: These documents can be located on the web in the Boeing site and/or through web search.

### **4.2 Supplier and Sub-tier DPD (Digital Product Definition)**

The Seller and Sub-tier supplier(s) shall comply with Boeing document D6-51991 as required per this document.

### **4.5 For Lockheed Martin Aeronautics Company Only:**

If this P.O. clause is invoked on the Purchase Order, Lockheed Martin is the customer and this P.O. is directly related to a Lockheed Martin Aeronautics Company P.O. which must be accomplished in accordance with process specification(s) on this

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purchase order and the revision in effect as of the date of this PO of Lockheed Martin Aeronautics Company Appendix QJ. All requirements of such Appendix QJ paragraph 12. a.-f. shall be accomplished. Appendix QJ is located at <http://www.lockheedmartin.com/material-management/>. Include Seller's unique LM Aero identification number (vendor code).

### 5. Test Reports and/or Certifications

Test reports indicating specific values, mechanical, physical and/or chemical are required for each item, lot or batch tested. Test reports must accompany each shipment. These reports must contain the signature of a responsible representative of the agency performing the test and must assure conformance to specification.

### 6. Requirements for the Control of Monitoring and Measuring Equipment

The Seller shall provide and maintain a calibration system that complies with the latest implemented revision of ISO 10012, or ANSI/NCSL Z540-1 (Calibration System Requirements) and any customer or other specification included on the SIP purchase order. Compliance with the provisions of this clause in no way relieves the Seller of the final responsibility to furnish acceptable supplies or services as specified herein.

This system shall be subject to audit by the Buyer (SIP), its customer(s), and regulatory agencies. This provision shall be applicable to all inspection, test and measuring equipment supplied by the Buyer for the use of the Seller, as well as the supplier's own equipment, and all applicable sub-tier supplier(s).

### 7. Statement of Conformity

Each shipment must be accompanied by two (2) legible and reproducible copies of a Statement of Conformity containing the signature of a responsible representative of the Seller stating material or articles, parts and or services (as applicable) meet the requirements of the Purchase Order.

A blanket certification that has not expired may be acceptable in lieu of this requirement, and is subject to prior approval by SIP.

The applicable drawings and or specifications with applicable revision letters or numbers or other designators must be listed on the Statement of Conformity.

By delivery of the item(s) of this order the Seller certifies that all requirements of the specifications applicable thereto have been complied with.

Further, as required, the Seller will make available to the Buyer all inspection results and/or test data necessary to support evidence of such compliance.

8. The Seller shall provide the right of access by the Shelton Industrial Pattern, Inc. (SIP), its customer(s) and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable documents & records.

### 9. QMS Registration – ISO 9001

The Seller shall be certified to ISO 9001 as specified in the purchase order. A copy of the certificate must be attached to the quality questionnaire. Compliance with the provisions of this clause in no way relieves the Seller of the final responsibility to furnish acceptable supplies or services as specified herein.

### 10. Source Inspection

Shelton Industrial Pattern, Inc. or government source inspection is required.

NOTE: Shelton Industrial Pattern, Inc. to specify source type.

### 11. QMS Registration – SAE AS 9100

The Seller shall maintain a QMS certified to SAE AS 9100, as specified in the purchase order. A copy of the certificate must be attached to the quality questionnaire or otherwise provided to SIP in a timely manner.

Compliance with the provisions of this clause in no way relieves the Seller of the final responsibility to furnish acceptable supplies or services as specified herein.

### 12. First Article Inspection to SAE AS 9102 Aerospace First Article Inspection Requirement

Compliance to requirements shall be determined by inspection to the applicable engineering drawings and specifications of one part unless more are specified in the purchase order. First article items when submitted to the Buyer's quality representative shall be accompanied by the Seller's First Article Inspection Report. If the Seller chooses to proceed with production before the Buyer

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has accepted First Article, the Seller recognizes that he proceeds at his own risk. The Seller must notify the Buyer when First Articles are ready for acceptance. At that time, the Seller will be notified as to whether the Buyer's First Article will be at Seller's facility or upon receipt. Actual dimensions are required for inspection results, not just that they are acceptable.

### 13. CAD/CAM/CAI Program Control

The Seller shall have an established, documented CAD/CAM/CAI program. Procedures and CAD/CAM/CAI Survey (QMF 7.6B & 7.5.1E) shall be sent to Shelton Industrial Pattern, Inc. Quality Representative for approval. Shelton Industrial Pattern, Inc. and/or customer reserve the right to survey, approve, and periodically review CAD/CAM/CAI quality systems. List data set name and revision on Statement of Conformity. NOTE: All inspection requirements, tolerances and tool inspection records must be sent with shipment.

### 14. First Article Inspection

Compliance to requirements shall be determined by inspection to the applicable engineering drawings and specifications of one part unless more are specified in the purchase order. First article items when submitted to the Buyer's quality representative shall be accompanied by the Seller's First Article Inspection Report. If the Seller chooses to proceed with production before the Buyer has accepted First Article, the Seller recognizes that he proceeds at his own risk. The Seller must notify the Buyer when First Articles are ready for acceptance. At that time, the Seller will be notified as to whether the Buyer's First Article will be at Seller's facility or upon receipt. Actual dimensions are required for inspection results, not just that they are acceptable.

### 15. Statistical Process Control/Key Characteristics

The Seller shall have an established, documented SPC program. Procedures shall be subject to review by Shelton Industrial Pattern, Inc. Quality Representatives. Documented evidence of SPC application shall be submitted with each shipment. Seller shall be capable of selecting and inspection of key characteristics.

**NOTE: All key characteristics shall be flowed down to sub-tier vendors.**

### 16. Special Process Approval

The Seller shall be on an approved processor list for special processes (i.e., anodize, chem.-mill, penetrant, heat treat, radiograph inspection).

NOTE: Approved processor list shall consist of but not be limited to the following: NADCAP/Pri, Boeing D1-4426. Seller shall use processors listed on Boeing D1-4426 Approved Processor List.

### 17. Mill test reports will be required with the material release shipment.

**18. Defense Federal Acquisition Regulation Supplement:** REF: Preference for Domestic Speciality Metals, Alt. 1 has the following basic requirements:

Specialty metals must be melted in the United States or a qualifying country, or they can be melted anywhere but must be "incorporated in an article manufactured in a qualifying country". The clause allows a qualifying country to manufacture parts from metal that was melted anywhere, provided it meets specifications, but a United States company can only use metal that was melted in the United States or a qualifying country.

Refer to the Department of Defense website for the latest list of qualifying countries and to see the full provisions of the DFARS 252.225-7014.

### 19. Part Protection and Packaging Requirements

Boeing parts will be protected and packaged in accordance with Boeing P.S. 20001, as applicable, prior to shipment and during transit. All other customer part numbers and product will be protected and packaged to prevent damage in accordance with individual customer quality system requirements.

### 20. Non-conforming Product

The Seller (Supplier) is required to notify Shelton Industrial Pattern of non-conforming product and arrangements must be made for the approval of supplier non-conforming product prior to shipment.

**NOTE: Arrangements shall include but are not limited to the following:**

**Mark/Red Tag non-conforming product, segregate, and provide description of discrepancy. Obtain S.I.P. written permission for disposition of parts (i.e., ship parts, scrap or rework to B/P, and submit to customer MRB) prior to shipment.**

### 21. Subcontractor Quality Requirements

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Change in Quality Management Representative: Seller shall promptly notify Buyer's Authorized Procurement Representative and Supplier Quality Representative of intended or actual changes in the management representative with assigned responsibility and authority for the seller's quality management system.

Change in Quality Management System: Seller shall promptly notify Buyer's Authorized Procurement Representative and Supplier Quality Representative in writing of intended or actual major change to its quality management system that may affect the conformity of its goods or services. Each change to Seller's quality management system is subject to review by Buyer.

The Seller shall include, as part of the written notification of change to its quality management system, a list of changed procedures identified by revision level, a description of the intent of the changes and a signed statement that compliance with Buyer's quality system approval has not been diminished.

Change in Manufacturing Line, Facility Location or Process: The Seller shall promptly notify Buyer's Authorized Procurement Representative in writing of intended or actual change to the manufacturing or other processes that may affect the quality of delivered goods and services. This includes changes to Seller's and Seller's subcontractors manufacturing or other facility location for the contracted goods or services, equipment, or processes for which the product was qualified.

The Seller shall promptly notify Buyer's Authorized Procurement Representative in writing of change to its quality control process that may affect the inspection verification of conformity or airworthiness. Notification shall document effect of change to inspection with respect to fit, form, reliability, function, conformity, airworthiness of the Seller's goods or services. Each change to Seller's quality control system is subject to review by Buyer.

Natural Disaster Occurrence: Seller shall promptly notify Buyer's Authorized Procurement Representative of any occurrence of natural disaster that diminishes Seller's ability to deliver conforming goods or services.

English Language: When specifically requested by Buyer, Seller shall make specified quality data and/or approved design data available in the English language.

Seller shall maintain an English language translation of (1) its quality manual, (2) the operating instructions that implement the quality manual requirements, and (3) an index of Seller's procedures that contain quality requirements. Buyer may require additional documentation to be translated, including but not limited to: shop orders, technical specifications, certificates, reports, and nonconformance documents.

Seller's Subcontractors: Seller shall impose all the aforementioned requirements on Seller's Subcontractors.

Seller's Change Notification Process: Seller shall document a process for notifying Buyer of intended or actual changes described in the aforementioned requirements.

### **22. ITAR (International Traffic & Arms Regulations)**

Any technical information received from Shelton Industrial Pattern requires an export license prior to dissemination to foreign persons.

It is controlled by United States International Traffic and Arms Regulations (ITAR) (22 CFR 120-130). It is the responsibility of each individual in control of this data to abide by all export laws.

NOTE: This includes MLA, MA, TAA and EAR requirements as defined in the Boeing Q/A standard for DPD D6-51991.

### **23. DPAS (Defense Priorities and Allocation System)**

This contract is a "rated order". A rated order means a prime contract for any product, service, or material which require preferential treatment, and includes subcontracts and purchase orders resulting under such contracts. DoD solicitations may be rated orders certified for national defense use, and the Contractor must follow all the requirements of the DPAS regulation.

The DPAS provides that DoD contracts are assigned priority ratings to assure that these contracts are afforded production priorities for delivery **ahead** of unrated orders which **includes commercial orders**. Ratings are assigned to DoD contracts and enforced in both peacetime and war or emergencies. The contractor is obligated to accept the rated order, to schedule production operations to satisfy delivery requirements of each rated order, and to extend the priority rating to suppliers to assure that the item is delivered in the timeframe requested.

There are two levels of priority for rated orders established by the DPAS, identified by the rating symbols "DO" and "DX".

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- a). All DO rated orders have equal priority with each other and take preference over unrated orders (including commercial orders). All DX rated orders have equal priority with each other and take preference over DO rated and unrated orders.
- b). DX ratings are used for special defense programs designated by the President to be of the highest national priority.

### **24. FOD Prevention, Identification and Removal**

FOD Awareness shall be provided for and practiced. Supplier and Sub-tier Supplier(s) shall maintain a system that provides for the prevention, identification and removal of FOD.

Effective Supplier and Sub-tier Supplier(s) FOD training is to be provided for applicable personnel, and that training is to be recorded.

Supplier and Sub-tier Supplier(s) Work shall be accomplished in a manner preventing foreign objects or material in deliverable items.

Supplier and Sub-tier Supplier(s) shall maintain a system that provides for the effective removal of FOD, as appropriate.

### **25. Counterfeit Parts Prevention - Procurement from a Recognized Source**

This clause applies to all parts and material delivered under this purchase order that are the lowest level of separately identifiable items, including but not limited to fasteners and EEE components. Counterfeit includes parts and material that is misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved parts and/or material that has reached a design life limit or has been damaged beyond possible repair, but is altered and misrepresented as acceptable.

With specific regard to counterfeit hardware, a registry of active fastener trademarks is maintained by the US Patent and Trademark Office and can be found at: <http://www.uspto.gov/trademarks/law/fastener/fqa.jsp>.

All purchased material included in assemblies and subassemblies being delivered per this order must have been procured by the seller directly from either the manufacturer of the item(s) or an authorized distributor of the manufacturer of the item(s). A Certificate of Conformance (CoC) and a method of item traceability shall be retained for each component. These documents shall be retained per the records retention requirements directed elsewhere within this order and made available upon request.

Seller shall maintain the Manufacturers CoC for each component included in the assemblies and subassemblies being delivered per this order. At a minimum, the CoC shall include:

- Manufacturers name and address, and
- Manufacturers and/or buyers part number
- Batch identification for the item such as date code, lot code, etc.

Seller shall maintain a method of item traceability that ensures tracking of the supply chain back to the manufacturer of all material included in assemblies and subassemblies being delivered per this order.

This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for the seller. The manufacturer shall also include the manufacturers batch identification for the item(s) such as date codes, lot codes, serializations, or other batch identifications.

In the event any item required to be delivered under this order cannot be procured by the Seller in accordance with this requirement, the Seller shall submit written justification and request a deviation from this requirement prior to making delivery. If the request for deviation is accepted by the Buyer, the Buyer shall modify this order accordingly.

Additional verification of the items may be required prior to allowing the deviation from this requirement. This additional verification shall include inspections and/or tests activities (including, but not limited to include visual inspection, X-Ray inspection, destructive physical analysis, thermal cycle testing, electrical testing) necessary to assure the authenticity of the purchased product. The Buyer may request copies of such acceptance criteria and records of this activity prior to granting the deviation.

The seller shall flow the substance of this clause, including this sentence, in all sub-tier subcontracts for work performed under this PO.

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### **26. Sub-Tier AAM (Acceptance authority Media) Requirements**

Sub-tier suppliers shall review their work orders on an ongoing basis and these reviewed work orders shall not exhibit the following noncompliance conditions; incorrect processes, use of incorrect tools, stamping work order operations as complete without work being accomplished and acceptance of nonconforming product without proper documentation.

Reference: AS9100, D, Section 8.5.2.

### **27. Customer Awareness**

Shelton Industrial Pattern requires that sub-tier suppliers ensure that persons doing work under their organizations control, relevant parties and sub –tier suppliers are aware of their contribution to the following: product or service conformity, product safety, and the importance of ethical behavior. Training, competence and qualification of persons/processes shall be in place as applicable or deemed necessary. In addition, the seller/organization shall plan, implement and control their processes needed to assure product safety during the entire product life cycle as appropriate to the seller/organization and the product. Examples of these processes may include and are not limited to: Assessment of hazards and management of associated risks, management of safety critical items (shall be noted on P/O), analysis and reporting of occurred events affecting safety communication of these events and training. Product safety definition: The state in which a product is able to perform to its designed or intended purpose without causing unacceptable risk of harm to persons or damage to property. All sub-tier suppliers shall be monitored for quality and delivery.