

**UNITED DYNAMICS, INC.**  
**PURCHASE ORDER QUALITY CLAUSES**

**Q1: Documentation Requirements - Certificate of Conformance (COC)**

**A Certificate of Conformance is required for each shipment**

Documentation must include the following items at a minimum:

- Date of Shipment
- United Dynamics Purchase Order Number
- United Dynamics Part Number
- Description
- Quantity
- United Dynamics Drawing number with Revision Level (if applicable)
- Applicable Military specification(s) with Revision Level (if applicable)
- Country of Origin where material was manufactured/melted (if applicable)
- Heat number(s) or lot number(s) of material (if applicable)
- Signed/Stamped Signature of Company Official. Electronic signatures will be acceptable.

**Q1A: Manufacturers Certificate of Conformance (COC)**

- The manufacturers COC must be included with the shipment of product/material, along with the suppliers COC.
- Full traceability auditable to the manufacturer is required.

**Q1B: Surplus Material**

- Surplus material is not acceptable and will not be accepted without prior written authorization from United Dynamics, Inc. and the end-user.
  - All documentation, including COC, and full traceability back to the manufacturer, must be provided.
    - Should material be received from the supplier that is deemed surplus without authorization, the supplier will be liable for all costs to replace the material, including, but not limited to shipping, handling, labor, and any other expenses related to the costs of full and acceptable replacement.
    - There are no exceptions to this clause.

**Q2: Documentation Requirements - Raw Material**

Material Test Report(s) (MTR) are required for each shipment

Documentation must include:

- Country of Origin where the material was manufactured/melted in accordance with DFAR 252.225-7001 Buy American Act.
  - Note: Per DFAR 252.225-7001, material must either be manufactured, melted, mined or produced in the United States or from a qualifying country. Material quoted or supplied to UDI MUST meet the Buy American Act.
- Heat Number(s) and/or Lot Number(s)
- Description of Material
- Name of Mill where material came from
- Certification from the originating Mill

**Q3: Documentation Requirements - Special Process Certification**

Documentation must include the following items at a minimum:

- Date of Shipment
- United Dynamics P.O. number
- United Dynamics part number
- Description
- Quantity
- United Dynamics Drawing number with Revision Level, or
  - United Dynamics Engineering Instruction Number with Revision Level (if applicable)
- Applicable Military specification(s) with Revision Level
  - Test results and/or certification to specification acceptance tests (i.e. salt spray/corrosion test, abrasion tests, wet/dry tape adhesion tests, etc.).
- Coating thickness, if called out on drawing
- Signed/Stamped Signature of Company Official. Electronic signatures will be acceptable.

**Q4: Changes to Product**

- Supplier is to notify United Dynamics of any changes to product, revision level, process or of any non-conforming material and obtain approval from UDI prior to shipment.

**Q5: FOD Practices**

- Supplier shall maintain a FOD prevention program. Supplier’s FOD prevention program shall include the review of design and manufacturing processes to identify and eliminate foreign object entrapment areas and paths through which foreign objects can migrate. Supplier shall ensure work is accomplished in a manner preventing foreign objects or material in deliverable Items. Supplier shall maintain work areas and control tools, parts and materials in a manner sufficient to preclude the risk of FOD incidents. Supplier shall document and investigate each FOD incident and ensure elimination of the root cause of each such incident.
- Buyer shall have the right to perform inspections, verification and FOD Prevention audits at Supplier’s facility to ensure documentation and effectiveness. Supplier shall identify a FOD control person responsible for implementing FOD prevention, awareness and training.
- Supplier’s FOD prevention program shall include a periodic self-assessment of its internal FOD prevention practices, including all subcontractors FOD Prevention Program at every tier, to measure effectiveness of compliance to requirements.
- Supplier’s FOD prevention program shall provide annual FOD training to Supplier’s employees. At Buyer’s request, Supplier shall provide records of such self-assessment and training to Buyer.
- Supplier’s FOD prevention program shall, at a minimum, contain the following elements:
  1. Design & Manufacturing Process Review
  2. Tool Accountability
  3. Performance Measurement
  4. Hardware Accountability
  5. Training
  6. Lost Items
  7. Material Handling and Parts Protection
  8. Physical Entry Control into FOD Critical Areas
  9. Housekeeping
  10. FOD Focal Point(s)
- Supplier shall ensure that the requirements of this Quality Clause are flowed down to Supplier’s subcontractors at every tier.
- Prior to closing inaccessible or obscured areas and compartments during assembly, Supplier shall inspect for foreign objects/materials. Supplier shall ensure that tooling, jigs, fixtures, and test or handling equipment are maintained in a state of cleanliness and repair sufficient to prevent FOD.
- By delivering items to Buyer, Supplier shall be deemed to have certified to Buyer that such Items are free from any foreign materials that could result in FOD.

**Q6: Flow-Down Requirements**

Supplier shall flow down all applicable contractual requirements to all sub-tier suppliers. This shall include any FAR/DFAR requirements that are specified.

**Q7: Sub-Contracted Special Processes**

Any process subcontracted to a supplier’s sub-tier shall have a minimum ISO90001 certification or United Dynamics approval. Any supplier not holding this minimum approval **shall NOT** be used until written approval has been discussed and agreed to with United Dynamics Purchasing and Quality departments. Details shall be submitted to the relevant buyer. The use of a United Dynamics approved source does not relieve the supplier from the responsibility to furnish acceptable materials, services and/or supplies.

**Q8: Right of Access**

Supplier shall allow right of access to United Dynamics, United Dynamics customer(s), and/or regulatory authorities to all facilities involved in this order and to all applicable records unless stated otherwise in documents accompanying these Terms and Conditions.

**Q9: Quality System**

In accordance with the specific requirements of this Order, Supplier shall provide and maintain a quality control system in accordance with FAR 52.246-2 covering the Products hereunder.

**Q10: Inspection System**

Suppliers shall develop and maintain inspection procedures and records of inspection. The inspection system will evaluate product and/or processes to the extent necessary to ensure that all Services which conform to the purchase order requirements are delivered to United Dynamics.

**Q11: Record Retention & Storage**

Records of the certifications and inspections work by Supplier and Supplier's subcontractor(s) shall be kept complete and available to Buyer at Supplier's facility for a minimum of ten (10) years or as previously accepted by United Dynamics. Quality Records shall be stored in a suitable environment that affords protection against physical risks of loss or damage.

**Q12: Supplier Performance**

United Dynamics performance ratings are calculated quarterly and are a combination of delivery and quality.

- The due date shown on the Purchase Order indicates the date the material is due on dock at United Dynamics.
- The delivery window for performance assessment is + 5 days early / 0 Days late.
- The Purchase Order due date is contractual and firm unless otherwise directed or authorized by the Buyer. This authorization must be in written form.

United Dynamics Quality ratings will be derived from the number of Non-Conformances and/or Supplier Corrective Action Reports and/or Rejections within the quarter.

- Rejections will be for reasons such as, but not limited to, deficient product, missing documentation, damaged product, unauthorized surplus product.

**Q13: Priority Rating**

This is a rated order certified for the national defense use, and you are required to follow all provisions of the Defense Priorities and Allocations System regulation (15 CFR 700). The material procured herein will be used in the manufacturing of products supplied to the US Government under contract as noted on the Purchase Order.

**Q14: Counterfeit Part Mitigation**

Supplier shall comply with the requirements of SAE AS5553 and/or SAE AS6081. They shall have in place a Counterfeit Part Detection and Avoidance System in compliance with the current standards. Supplier shall disclose to United Dynamics if they are not authorized for the EEE parts they are providing as well as if they cannot supply EEE parts they acquire directly from Authorized Sources. Supplier shall flow-down these counterfeit detection and avoidance requirements to subcontractor at all levels in the supply chain. In the event counterfeit parts are delivered to United Dynamics, Inc., supplier will be responsible for replacement of the items at their expense and cover any costs related to the removal, replacement, retesting and installation of replacement items. Counterfeit parts will be reported to the appropriate authorities. If counterfeit parts are returned to the supplier, the supplier must show evidence of proper disposition of the counterfeit parts to prevent them from being reintroduced into the supply chain.

**Q15: Limited Shelf-Life Items**

For Seals, gaskets, chemicals, adhesives, silicone products and other age sensitive items, the Supplier shall provide a Certificate of Compliance that includes:

1. The Safety Data Sheet (SDS)
2. Expiration date and or date of manufacture
3. Permissible shelf life
4. Lot and batch number as appropriate
5. Storage temperature range
6. Any other pertinent information relating to the shelf life of the items supplied

In addition, the Supplier shall put the following on each product container and/or package a label showing the following;

1. Product name or nomenclature
2. Date of manufacture
3. Expiration date or permissible shelf lie
4. Lot or batch number
5. Storage temperature range
6. All product must have a current shelf life
7. Chemicals must have a shelf life OF 80%, AND NO LESS THAN 75% AT TIME OF SHIPMENT

**Q16: Functional Test Data**

A copy of the Supplier's final test report(s) containing quantifiable results of all electrical and/or other functional tests is required to be included with each lot.

**Q17: DPD-MBD**

All Digital Product Definition-Model Based Definition (DPD-MBD) transferred (authority and derivative) between United Dynamics and suppliers or sub-tier suppliers will be complaint with Boeing D6-51991 or NADCAP if required by contract. Transfers will also be compliant with ITAR and EAR and encrypted.

**Q18: Supplier Corrective Action**

In response to United Dynamics-initiated corrective action requests, supplier shall advise United Dynamics of root cause determination, corrective action taken to prevent recurrence of reported problems and/or discrepancies, and effectivity dates of the planned corrective action(s). Supplier shall maintain a corrective action system that determines the effectiveness of such corrective actions, and that prevents shipment of nonconforming articles without prior approval from United Dynamics. Supplier shall have 72 hours after receipt of Supplier Corrective Action (SCAR) to respond with initial containment. Supplier will have 14 days from receipt of SCAR to perform Root Cause and Corrective action and return to United Dynamics Quality Department for review.

**Q19: Notice of Escape**

Supplier must notify United Dynamics Quality and Purchasing Departments of any escape of nonconforming or potentially nonconforming product within 24 hours of identification of nonconforming status. Notice of Escape must contain United Dynamics Part #, PO #, Serial Number, Lot or Heat #, date of original shipment to United Dynamics, the nonconformity and any sub-supplier inputs and information that may have contributed to the nonconformity. Supplier will have 72 hours after Notification of Escape to present Root Cause and Corrective Action to United Dynamics to prevent further shipments or processing of nonconforming materials.

**Q20: Qualified Personnel**

Supplier shall use only qualified personnel required by the specification requirements for this PO.

**Q21: Packaging & Shipping**

Packaging and/or shipping will be in accordance with the purchase order requirements when specific requirements are stated therein. When not specified in the purchase order, packaging shall be in accordance with ASTM D3951 Standard Practices for Commercial Packaging. (Best commercial practices) and be respective of the product needs and sensitivities as deemed necessary to prevent shipping damage or other deleterious impact to the material.

Specifically, and in all instances, in shipping to United Dynamics, Inc., Article 5.1.1.4 of the Standard shall be followed:

5.1.1.4 Loose-fill Cushioning/Dunnage —Loose-fill material shall be prohibited for all Department of Defense (DoD) and/or General Services Administration (GSA) shipments and shipments to aerospace facilities.

**Q22: Calibration**

Calibration service providers must have a documented system that meets the requirements of ISO 10012 and the calibrations must be traceable to NIST.

**Q23: Export Clause**

Information subject to Export Control Laws. This document/equipment/software contains information subject to the International Traffic in Arms Regulation (ITAR) or The Export Administration Regulation (EAR) which may not be exported, released, or disclosed to foreign nationals inside or outside the United States without first obtaining an export license. A violation of the ITAR or EAR may be subject to a penalty of up to 10 years imprisonment and a fine or \$1,000,000.00 under 22 U.S.C 2778 or Section 2410 of the Export Administration Act. Include this notice with any reproduced portion of this document/software.

**Q24: Restriction on Acquisition of Certain Articles Containing Specialty Metals**

Specialty Metals (as defined by DFARS 252-225-7009) delivered, or incorporated in product delivered, in fulfillment of this contract shall be compliant with DFARS 252.225-7009 "Restriction on Acquisition of Certain Articles Containing Specialty Metals". The Supplier shall include the terms of this clause in every subcontract or purchase order awarded under this contract. Documentation shall note compliance with the above stated DFARS and include countries of production/melt.

**Q25: Quality Systems**

Suppliers providing outside service processes, components, assemblies, and/or subassemblies shall have a quality management system compliant to AS9100.

Suppliers providing standard parts, catalogue or off the shelf items shall be compliant to ISO9001.

Suppliers providing NADCAP processing shall be compliant to NADCAP AC7004.

Suppliers of raw materials shall be compliant to ISO9001.

Suppliers that distribute parts or products shall be compliant to AS9120.

**Q26. Source Inspection**

Goods and Services under this Contract are subject to Buyer's source inspection at points identified by Buyer throughout the manufacturing process including testing operations (including those at Seller's subcontractor locations) prior to packaging for shipment. Seller shall provide contract documentation, quality records and related data/documents for the safe and efficient performance of source inspections. Upon receipt of purchase order, seller shall notify United Dynamic's Procurement or Quality Manager to identify source inspection points. Seller shall provide at least 48 hours notification in advance of the time Goods or Services will be available for source inspection. Evidence of completed source inspections will be required with each shipment unless a written waiver has been issued from United Dynamics.

**Q27. First Article Inspection**

Seller shall perform First Article Inspections (FAI) in accordance with AS9102 Aerospace First Article Inspection Requirement. Copies of all material/process certifications, manufacturing and inspection records shall be included with the FAI in the packaging of the FAI part(s).

**Q28. Approved Process Source**

This contract requires that suppliers and their subcontractors be approved per Boeing for Inspection, Testing and/or Processing per the Boeing D1-4426 and appear in Boeing's Approved Process Sources per Customer requirements.

<http://active.boeing.com/doingbiz/d14426/GetAllProcessors.cfm>

**Q29. Change Notifications**

Seller shall provide written notification to United Dynamics Procurement Representative and Quality Representative of intended or actual changes in the management representative with assigned responsibility and authority for its quality management system. Seller shall provide written notification to United Dynamics Procurement Representative and Quality Representative of intended or actual major change to its quality management system that may affect the conformity of its goods or services, including loss of certification(s). Seller shall also notify United Dynamics of changes to Facility Location, Process, or Natural Disaster occurrences that may impact the quality, conformity, or deliverability of the contracted goods or services provided by the seller. These requirements are applicable to the seller's subcontractors as well.