

	<p>Angeles Precision Engineering, LLC 1620 S. Carlos Avenue Suite M Ontario, CA 91761</p>	<p>Document Title: QAP 4.20 Terms and Conditions Rev. C</p>
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1.0 POLICY:

All Angeles Precision Engineering, LLC suppliers shall establish and maintain a quality system that is in compliance or shall conform with the quality requirements of ISO 9001:2008, AS9003, and/or AS9100, as applicable. Where required by the contract or direct flow down, certification to the applicable standard will apply (e.g. NADCAP, ISO 17025). All material shall be compliant with Specialty Metals Act, DFAR 252.225 unless otherwise specified in the Purchase Order (PO). Materials found not in compliance with the PO and reference drawings will not be acceptable. Returned materials found non-conforming are the sole responsibility of the supplier including cost to rework to make it complaint. Supplemental clauses defining specific additional PO requirements will be invoked when applicable.

2.0 TERMS AND CONDITIONS:

- 2.1 Supplier Quality System shall be documented with procedures and/or work instructions that are adequate to provide compliance to Angeles Precision Engineering, LLC PO requirements. Procedures shall address the following areas:
- All inspection requirements and acceptance criteria shall be documented.
 - Inspection records shall be maintained throughout the supplier's system (incoming through shipping).
 - Suppliers are required to perform a First Article Inspection (FAI). Documented results must be on file and available upon request.
 - Suppliers shall inspect incoming materials to ensure conformance to specification requirements. Use of Angeles Precision Engineering, LLC supplied materials, tools and/or gages do not waive this requirement.
 - Supplier shall provide clear and complete evidence of final inspection on file. All applicable specifications and drawings relative to the job must be available upon request.
- 2.2 Raw material suppliers shall furnish material test reports to the purchase order requirements and shall not supply materials for which they are not approved or certified. All material shall be compliant with Specialty Metals Act, DFAR 252.225 unless otherwise specified on the PO.
- 2.3 The supplier shall permit Angeles Precision Engineering, LLC their customers and regulatory agencies "right-of access" to conduct such inspection/audits at supplier facilities (or subcontractor facilities) as may be required to verify


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compliance with the purchase order requirements.

- 2.4 The supplier shall provide and maintain equipment to measure all products for conformance to Angeles Precision Engineering, LLC requirements. The supplier shall have a calibration system or use an independent calibration service that complies with ISO10012-1 or equivalent and traceable to ANSI/NC SL Z540.1. When required by the contract, supplier which provides calibration services to Angeles Precision Engineering, LLC must comply with the requirements of ISO 17025.
- 2.5 Special processes shall be performed only by Angeles Precision Engineering approved sources and/or customer approved sources. All operations necessary shall be performed at the supplier's facility. Supplier shall not use subcontractors for any operations without written authorization from Angeles Precision Engineering. **Supplier shall notify Angeles Precision Engineering, LLC on any change in their process. Process change shall be approved by Angeles Precision Engineering, LLC and/or their customer prior to commencing work.**
- 2.6 Supplier must notify Angeles Precision Engineering, LLC of nonconforming products. Supplier shall provide for control on nonconforming materials, including procedures for its identification, segregation and disposition.
- 2.7 Supplier's system shall identify and correct causes of nonconformance to prevent the reoccurrence of discrepant products. The system shall establish ways of preventing nonconformance. Failure to take effective corrective action will result in taking more serious action like withholding of quotation opportunities.
- 2.8 All quality records shall be legible and shall be stored and retained in such a way as to be readily available upon request. These records shall be maintained for a minimum of **ten (10) years** or a contractually specified. All certifications shall contain a signature of a responsible member of the suppliers' management or a designee and their position in the company.

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2.9 Suppliers shall complete a certification of conformance report with the shipment of parts. The certification shall indicate, as a minimum:

- Angeles Precision Engineering, LLC part number, including applicable revision
- Quantity of parts covered by the certification.
- Purchase Order number.
- Specification number (special process certification).
- Name of certifying company, material type including size, material specification number, traceable lot number, batch and/or heat code number, chemical and physical properties (raw material certification).

Failure to include certifications with the shipment will result in placing the parts on hold and/or rejection.

2.10 Unless otherwise specified on the purchase order, Nondestructive Test (NDT) shall be performed 100%. With each delivery of the products on the contract, the supplier shall furnish a certified test report that shows that the required NDT (i.e. Penetrant, Magnetic Particle, Radiographic, Ultrasonic, etc.) was performed on all delivered parts. A complete description of the test, test name, specification, revision, type, and method must be provided on the test report.


2.11 Supplier shall maintain an effective preservation, packaging, and shipping system that will prevent damage and mixing of parts. If Angeles Precision Engineering, LLC shipped parts in protective packaging (e.g. trays, caps, boxes, bags, etc.), the parts must be returned in the same protective packaging upon completion of work. The system shall also ensure that the purchase order has been reviewed and that the necessary test reports, certifications, and other required documents are included with the shipment.

2.12 Any changes of ownership or senior management shall be communicated in writing to Angeles Precision Engineering, LLC no later than 30 days after change.

2.13 Supplier shall maintain ITAR/EAR compliance. Supplier is advised that Angeles Precision Engineering, LLC provided drawings and/or data may not be exported or re-exported to foreign persons without the prior written consent of Angeles Precision Engineering, LLC

2.14 Supplier shall maintain a Foreign Object Debris/Damage (FOD) elimination program. The material that is supplied on the purchase order shall be manufactured in an environment that is free of foreign object damage. The

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intent of this quality note is to maintain awareness of the need to eliminate FOD for all supplier material.

3.0 REVISION HISTORY:

<u>Date</u>	<u>Revision</u>	<u>Description of Changes</u>
5/12/2014	NC	Initial release
6/2/2011	A	Added Supplier Notification Process
5/21/2013	B	Changed to 10 years record control
1/25/2016	C	Added Section 2.13 and 2.14

4.0 APPROVAL:

Mario E. Angeles, General Manager
Angeles Precision Engineering, LLC