

AK INDUSTRIES
Supplier Quality Clauses

Material Supplier: the following are the minimum requirements
Q1 thru Q13
Processing Suppliers: the following are the minimum requirements
Q1 thru Q13, Q16
Fabrication Suppliers: the following are the minimum requirements
Q1 thru Q13, Q14, Q15 & Q16
Calibration/Testing Suppliers: the following are the minimum requirements
Q1 thru Q12
Calibration/test suppliers must furnish calibration/test reports to the purchase order requirements & be traceable to the specific equipment or item for which they are calibrating or testing traceable to NIST &/or other national or international standards. ISO 9001, ISO 17025, NADCAP testing, ANSI Z540 accreditation will be the quality system requirements. Actual data must be supplied. ISO 10012-1

Quality Clause	Requirement
Q1	CERTIFICATION OF COMPLIANCE: Seller shall provide a certification, signed by an authorized company management representative that addresses compliance with the Customer's drawing & drawing revision, workmanship standard(s), revision(s), & compliance to the AK Industries purchase order, material certification with actual chemical & physical test reports from the lot represented per the specification indicated, & shall not supply material for which they are not certificated or approved. A certificate of conformance is required with each delivery lot/quantity.
Q2	RETENTION OF QUALITY RECORDS: Supplier is required to maintain documentation pertaining to this order for a minimum of ten (10) years after delivery, unless otherwise directed by the Purchase Order. This documentation must remain on file & available for review by AK Industries , our customer and/or a designated representative or responsible regulator agency for the specified period.
Q3	QUALITY SYSTEM REQUIREMENTS: Seller & its subcontractor(s) shall provide & maintain a quality system that is in conformance with GMP, ISO 9001, ISO 13485, AS9100, or the equivalent.
Q4	NOTIFICATION OF NONCONFORMING PRODUCT: Supplier is required to notify AK Industries immediately in the event that nonconforming product, which can't be reworked to specification, is produced. Supplier is to obtain AK Industries approval of nonconforming product dispositions. Unapproved repairs or non-conformances that are shipped to AK Industries will be subject to rejection upon detection regardless of the levels of consumption within AK Industries. If AK Industries labor and/or materials are added prior to the detection & rejection, then the supplier &/or subcontractor agrees to reimburse AK Industries for the full loss in value (i.e. the supplied material, component, or assembly; & added AK Industries WIP labor as well as the added higher level material consumed during the WIP process which occurred prior to detection of the repair).
Q5	TRACEABILITY Supplier is required to identify each lot with a unique code number for each heat lot number of raw material and/or each batch of items processed together but separately from the total quantity of the order (i.e. - Heat treatment batches, plating batches, etc.)
Q6	APPROVED SOURCES All special processes must be performed by sources approved by AK Industries . This includes, but is not limited to, the following: Surface treatments including plating, painting & cleaning, Nondestructive Testing or Welding. NOTE: Use of non-approved sources may result in rejection & return of material.
Q7	RIGHT OF ENTRY The right of access by the organization, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

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Q8	<p>FLOWDOWN REQUIREMENTS</p> <p>Supplier must pass on to their sub-tier suppliers all applicable Quality Terms & Conditions as well as any pertaining corrective actions requests, quality alert and/or nonconformance information.</p>
Q9	<p>PACKAGING</p> <p>Supplier shall package product for shipment in keeping with good commercial practice, unless otherwise instructed by Purchase Order requirements. Packaging shall be adequate to preclude damage, loss, or corrosion of product shipped. Supplier shall identify the outer container or pallet with the applicable PO#, Part # & Lot #. Shipper/pack slip are to be included with the order.</p>
Q10	<p>PRODUCT AND/OR PROCESS CHANGES</p> <p>The supplier is required to notify AK Industries of any product or process changes which include but not limited to: sub-tier supplier, manufacturing location, substitute components or a change in processing that may have an effect on AK Industries' product quality. Suppliers must obtain AK approval prior to implementation changes.</p>
Q11	<p>COUNTERFEIT PRODUCT/MATERIAL</p> <p>Suppliers shall assure that all products provided to AK Industries are genuine and no counterfeit product shall be used or shipped. Seller shall notify AK Industries immediately if seller suspects or is aware they have furnished counterfeit goods and promptly replace the counterfeit parts with genuine parts. Supplying counterfeit goods to AK Industries will hold the seller responsible for all costs associated with the replacement of said counterfeit parts.</p>
Q12	<p>AWARENESS</p> <p>ensuring that persons are aware of:</p> <ul style="list-style-type: none"> - their contribution to product or service conformity. - their contribution to product safety. - the importance of ethical behavior
Q13	<p>MATERIAL SAFETY DATA SHEETS</p> <p>Material Safety Data Sheets (MSDS) shall be supplied with shipments of any product that contains polymers, solvents, reducers, adhesives or other materials prone to outgassing volatile organic compounds (VOC's).</p>
Q14	<p>FINAL INSPECTION REQUIRED</p> <p>Submit a Final Inspection Report (FIR) listing actual dimensions measured. The report must indicate: Total quantity, Sample size (please identify the sampling plan you are employing), Quantity accepted</p> <p>Quantity rejected, Signature, initials or stamp of qualified company representative performing the inspection & the date the inspection was performed.</p>
Q15	<p>FIRST ARTICLE INSPECTION REQUIRED</p> <p>Submit a complete First Article Inspection Report (FAIR) AS9102 to AK Industries for inspection & approval prior to proceeding with any further processing &/or production. The FAIR shall include: a fully processed sample, a formal dimensional report, Complete certification, Signature/ initials /or stamp of qualified company representative performing the inspection & the date the inspection was performed. Items produced prior to CAPRICE's approval shall be completely at the risk of Seller.</p>
Q16	<p>EXPORT / ITAR REGULATIONS. Items, including any associated drawings or technical data, sent to the seller or to be delivered under this purchase order could be subject to U.S. Export Control laws and / or controlled by the U.S. International Traffic in Arms Regulations (ITAR) 22 CFR part 120-130. Items not specifically classified by Buyer on this purchase order as military items subject to ITAR control are assumed to be commercial items. Where seller maintains the design authority, Seller agrees to notify Buyer if any deliverable under this purchase order is a Defense Article within the meaning of the International Traffic in Arms Regulations, 22 CFR 120-130 (ITAR). Unless otherwise specified by Seller, Seller warrants that no deliverable supplied under the contract is a Defense Article as defined by CFR 120.6.</p>