



## PURPOSE

This document describes quality requirements assigned on purchase orders for all products, materials, and services.

## SCOPE

This document applies to all Purchase Orders generated at LTP MODERN MACHINE. If there is any conflict between this document and customer contractual and/or legal requirements, the latter will take priority.

## SUPPLIER

It is the supplier's responsibility to ensure that clauses are being processed as required by the purchase order.

### 1 QUALITY SYSTEM:

Supplier shall implement, document and maintain a Quality Management System in accordance with applicable requirements of AS9100, ISO 9001 or AC7004 series standards and additional requirements specified on Buyer's contract or purchase order. The applicable requirements set forth in shall be flowed to the sub-tier supply chain involved with this order or contract. The Quality Management system shall be appropriate to the products the supplier manufactures, sells, processes and shall cover all activities concerned by LTP MODERN MACHINE contracts or purchase orders.

### 2 CALIBRATION SYSTEM:

Supplier's calibration system shall meet the requirements of MIL-STD-45662, ISO/IEC 17025 AS9100 or ISO9001.

### 3 INSPECTION RECORDS:

Inspection records shall indicate which characteristics were inspected, quantity accepted and quantity rejected. Nonconforming material shall be identified and segregated to preclude intermingling with conforming material.

### 4 SUPPLIER QUALITY PLAN:

The supplier shall prepare and maintain a documented quality plan applicable to the material or process being supplied to LTP MODERN MACHINE.

### 5 SURVEILLANCE AT SUPPLIER'S PLANT:

LTP MODERN MACHINE, its customers and regulatory agencies may visit all facilities and review all applicable records involved in the order at any time for the purpose of assuring conformance to terms of the contract. LTP MODERN MACHINE, its customer or regulatory agency representative shall have the right to maintain surveillance of the supplier's quality



program including access to and disapproval of any of the implementing procedures and methods or other elements of the program. LTP MODERN MACHINE, its customer or regulatory agency representative shall have the right to coordinate with the supplier and establish those manufacturing points at which they may perform inspection of product characteristics. LTP MODERN MACHINE, its customer or regulatory agency representative may conduct or require the supplier to conduct specific inspections and tests to assure product conformance to contract requirements. Inspection, test, and manufacturing operations performed by the supplier may be witnessed in whole, or in part, by LTP MODERN MACHINE, its customer or regulatory agency representative. None of the foregoing actions on the part of LTP MODERN MACHINE shall constitute justification for increase in price of supplies and/or services covered by the contract.

**6 SUPPLIERS' RESPONSIBILITY:**

The Seller is responsible for compliance with all provisions of the contract and for furnishing materials and/or processes which meet all requirements of the contract. If any materials and/or processes are procured from sub-tier suppliers, all requirements must be flowed down to the supply chain. The seller is fully responsible for the conformance of any materials or processes procured from sub-tier suppliers. The seller shall notify LTP MODERN MACHINE of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval. Any document that has been created or retained shall be by AS9100D requirements.

**7 GOVERNMENT SURVEILLANCE:**

The government reserves the right to inspect any of the material included in this purchase order or subcontract in accordance with the general specifications for the inspection of material.

**8 GOVERNMENT SOURCE INSPECTION:**

Government Source Inspection (GSI) is required prior to shipment from supplier's plant. Upon receipt of this purchase order, the supplier shall promptly furnish a copy to the government inspector who normally services the supplier's plant. In the event that delivery of the items will be delayed due to GSI requirements, the supplier shall notify LTP MODERN MACHINE immediately. Evidence of GSI must be indicated on all shipping documents.

**9 Certificate of Conformance**

Each shipment shall be accompanied by one (1 legible and reproducible copy of a Certification Document (Certificate of Conformance, Shipper, Packing List, etc.) that includes the identification (signature, electronic signature, stamp, etc.) of the person authorizing release of product assuring the items ordered were produced in accordance with and conforming in all respects with all applicable requirements set forth in Buyer's Standard Purchase Order Terms and Conditions and/or its contract with Seller, including specifications, drawings, revision, marking requirements, physical item identification and electrical characteristics when applicable. When applicable, supplier will issue a copy of the SDS (Safety Data Sheet) for hazardous material in addition to the certificate of conformance.



In addition, distributors will also provide manufacturers certifications included in the shipment that lists the nomenclature and latest revision as of the date of the purchase order

**10 MATERIAL CERTIFICATION / COUNTERFEIT PARTS / MATERIAL PREVENTION:**

Seller shall establish and maintain a Counterfeit Parts / Material Prevention and Control Plan using AS-5553 (Ref. elements of Section 4) and/or AS6174 (Ref. elements of Section 3) to ensure that Counterfeit Work is not delivered to LTP MODERN MACHINE.

- Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), OCM/OEM authorized distributor chain, Aftermarket Manufacturer, or Authorized Reseller.
- These products shall have verification that Work is traceable to OCM/OEM.
- Each shipment shall be accompanied by complete physical and chemical test data that meet the requirements of the applicable specifications and/or engineering drawings, and identifies the material provider and the original lot or batch number.
- Seller shall notify Supplier Quality Engineer and Buyer with the pertinent facts if Seller becomes aware or suspects that it has furnished Counterfeit Work. Seller shall provide to Supplier Quality Engineer and Buyer, upon request, the supply chain traceability to an Original Manufacturer or authorized distributor chain that identifies the name and location of all the supply chain intermediaries from the part manufacturer to the direct source of the product for the Seller.
- Seller shall include this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to Buyer.

**11 TRACEABILITY:**

Traceability shall be maintained from receipt of raw material through finished product. Records and material must be identified by lot number, material type, specification and applicable revision number, etc. Records shall be maintained on file subject to examination by LTP MODERN MACHINE. Records shall be maintained {10} years minimum after the final delivery of the order.

**12 CORRECTIVE ACTION:**

Upon receipt from LTP MODERN MACHINE, supplier shall complete a formal corrective action request form and return it to LTP MODERN MACHINE Purchasing within the allotted time noted on the request. If the form cannot be returned within the allotted time a request for extension must be submitted within the original allotted time.

**13 SHELF LIFE CONTROLLED MATERIAL:**

Unless otherwise specified, time sensitive material shall be furnished with a minimum of 80% of its shelf life remaining at date of receipt. Shelf life duration, date of manufacture and date of expirations shall be listed on material certification.

**14 PACKAGING AND SHIPPING:**

The supplier shall package, crate, etc. materials in a manner which will prevent damage to the article during storage and/or transit.



**15 FIRST ARTICLE INSPECTION REPORTS:**

When applicable, First Article Inspection (FAI) shall be performed and provided by the Seller in accordance with the requirements of AS9102. Refer to AS9102 Aerospace Standard “Aerospace First Article Inspection Requirement” to determine applicability. When documenting the FAI, the Seller may use the forms contained within AS9102 or their equivalent, so long as the forms contain all the information required by AS9102. Seller will deliver with the initial shipment of the FAI item a copy of the First Article Inspection Report (FAIR). Additionally, when a partial or re-accomplished FAI is performed as required by AS9102, Seller will provide a copy of such FAIR with the initial shipment of the FAI item.

Note: FAIR does not apply to procured standard catalogue hardware or deliverable software as defined in the AS9102 Standard Applicability Section.

**16 PREFERENCE FOR DOMESTIC SPECIALTY METALS**

Any specialty metal incorporated in articles delivered under this order must be melted in the United States, its possession or in a qualifying country as defined in DFARS 252.225-7009. Please refer to DFARS clause located in the Government Websites for identification of Specialty Metals, as well as allowable exceptions.

Note: Melt Source certification is required with all shipments.

**17 NOTIFICATION/DISCLOSURE OF DEFECTS DISCOVERED AFTER DELIVERY**

The supplier shall notify *LTP MODERN MACHINE* within **ONE (1)** business day of the discovery of nonconformities that may affect already delivered product. The notification shall include a clear description of the discrepancy, parts affected, and quantities and date(s) delivered.

**18 QUALITY RECORDS**

Records providing objective evidence of conformity to requirements and of the effective operation of the Quality Management System shall remain legible, readily identifiable, and retrievable. The supplier shall retain such records on file for a minimum of (10) years or as specified by contract.

**19 FOD CONTROL PROGRAM**

Seller shall implement a FOD (Foreign Object Debris) contamination control program to effectively contain and eliminate any sources of FOD or contamination. (see AS9100 7.5.1(i)) FOD prevention program shall comply with prime user requirements as applicable. Examples of major prime requirements are listed below.



**20 RISK MANAGEMENT/MITIGATION**

Risk management is essential in meeting LTP MODERN MACHINE requirements. The supplier is responsible for risk management and taking action to mitigate risks. As risks are identified these actions may be used to mitigate/ resolve risks.

Prior to acceptance of contract or purchase order, relevant risk criteria shall be assessed to identify risk and determine feasibility. Criteria may include but are not limited to:

- Engineering data (e.g., drawings, models, specifications, etc.) are made available,
- LTP MODERN MACHINE supplied quality requirements and/or vendor manual,
- Configuration plan,
- Quantity and delivery schedule,
- Lead time and cost for raw material and/or hardware items,
- Lead time and cost of outside processing (e.g., heat treat, plating, etc.),
- Cost of any non-recurring changes, if any,
- Labor hours and skill,
- Equipment (e.g., tooling, fixtures, and resources),
- Inspection and test plans,
- Any special requirements and expectations not stated in request.

On high risk orders:

- The Supplier must notify LTP MODERN MACHINE when a high-risk situation is detected:

**21 ITAR CONTROLLED**

Any technical data you receive from LTP MODERN MACHINE, in any form, in fulfilling this purchase order is EXPORT CONTROLLED DATA. It contains information governed by the U.S. International Traffic in Arms Regulations (ITAR) under the U.S. Department of State, or the U.S. Export Administration Regulations (EAR), under the U.S. Department of Commerce. This information may not be exported, released, or disclosed to a foreign person/entity without proper authorization by the U.S. Departments of State or Commerce. Violations may result in administrative, civil, or criminal penalties.

**22 CHEMICAL, PHYSICAL AND PROCESS TEST REPORTS**

Each shipment must be accompanied by one (1) legible and reproducible copy of all chemical and physical test reports identifiable with materials ordered. The reports must contain the signature and title of the authorized representative of the agency performing the test and must assure conformance to specification requirements.

When applicable, each shipment shall be accompanied by one (1) legible and reproducible copy of a certificate that must include the signature and title of the person authorizing release of product certifying all processes used, such as heat treating (HT), chemical processing (CP), non-destructive (NDT), etc. The certificate shall include the processing used, the specification to which they conform including revision level and the name of the agency that performed them if other than the seller (I.e. sub-vendor).



**23 OZONE DEPLETING SUBSTANCES (ODS)**

Class I Ozone Depleting Substances (ODS) shall not be used in the design, test, manufacture, integration and assembly, handling, transportation, operations, maintenance or disposal of the hardware/components delivered to this order.

**24. FRAUDULENT/FALSE, FICTITIOUS DOCUMENTATION**

This company/division/department/branch performs work under contracts which are within the jurisdiction of departments of the United States Government. Some of the work performed under these contracts affects the national security of the United States and the requirements of these contracts are designed to ensure that essential attributes of the work are carefully checked or inspected and that records accurately reflect the results of all work. Any falsification, concealment or alteration of any material fact, or any false, fraudulent or fictitious statement or representation in connection with the work under any contract within the jurisdiction of the Government is not only prohibited by company policy, but may also be punishable under Federal Law.

The recording of false, fictitious or fraudulent statements or entries on this document may be punishable as a felony under Federal Statutes including Federal law, Title 18, Chapter 47.””

**25. Ethics and Compliance**

LTP Modern Machine Inc. promotes behaviors that build trust, accountability and respect. LTP Modern Machine encourages employees, contractors and partners whom observe or suspect something that conflicts with our values, to speak up and report it. Those who speak up to protect our company will be protected in return. Our Policies and Code of Conduct reinforce our commitment to a safe reporting environment that is free of fear, bullying and other negative consequences. LTP Modern Machine Inc. has zero tolerance for retaliation that impact good-faith reporting — and anyone engaging in retaliatory behavior is subject to disciplinary action, up to possible termination. Employees should feel confident asking questions or raising concerns directly with their supervisor, or human resources manager.