

“AQR”
Acree Technologies
PURCHASE ORDER QUALITY CLAUSE REQUIREMENTS

AQR01 – APPROVAL OF PRODUCTS, PROCESS & EQUIPMENT

The vendor shall provide and maintain a system which will assure that all products and services submitted to Acree for acceptance conform to purchase order requirements. Acree has the right to approve all products, processes & equipment associated with the product or service. Requested services are to be performed by the contracted vendor. The vendor is not permitted to flowdown services to a sub-tier without prior written approval from Acree. If/when approved by Acree, all Acree requirements will be flowed down to the sub-tier supplier (s).

AQR02 – QUALIFICATION OF PERSONNEL

The vendor's Quality System shall assure all relevant Purchase Order requirements are met and all applicable processes affecting the final quality of the product in the Purchase Order were rendered by qualified personnel.

AQR03 – QUALITY MANAGEMENT SYSTEM REQUIREMENTS

The vendor shall provide and maintain a quality system that complies with AS 9100 or ISO 9001 Quality System Requirements, latest revision. If the vendor is not currently certified to the AS9100 or ISO 9001 standard, Acree may perform an audit to determine if any deficiencies identified by Acree during the audit must be corrected by the vendor within and agreed upon time frame. Compliance with the provisions of this clause in no way relieves the vendor of the final responsibility to furnish acceptable supplies or services.

AQR04 – RELEVANT TECHNICAL DATA

Vendor shall verify the revision status of specifications, drawings, process requirements, inspection/verification instructions and any other technical data against the Purchase Order prior to starting work and shall notify Acree of any discrepancies.

AQR05 – CERTIFICATE OF CONFORMANCE

A Certificate of Conformance (C of C) shall accompany each shipment of material defined in the purchase order. The C of C shall be legible and at a minimum, include the Acree purchase order number, quantity, part number, and revision letter, and/or the Acree Manufacturing Order Number or when specified the Acree lot number (when purchaser-supplied material) and the mill heat number when vendor-supplied material. All supplied raw material shall be of the same lot unless otherwise stated and agreed to per PO. When multiple lots of material are used in completing a shipment, all material lot numbers or mill heat numbers shall be reported and kept separate. When processing is performed against a Acree order, parts shall not be mixed and traceability shall be maintained.

AQR06 – CHEMICAL AND PHYSICAL TEST REPORTS

Physical and chemical test report certifications shall be supplied with each shipment. Test reports shall be legible (reproducible condition) and include Acree name, PO #, the material designation, specification and latest revision letter, results of all specified testing requirements, the mill heat number, and any other requirements specified on the purchase order.

AQR07 – MILL TEST REPORTS

Physical and chemical test reports originating from the producing mill shall be supplied with each shipment. Test reports shall be legible (reproducible condition) and provide traceable documentation to Acree name and PO #. The material designation, specification, latest revision letter, and results of all specified testing requirements, the mill heat number and any other requirements specified on the purchase order shall be included with the test reports.

AQR08 – TEST AND INSPECTION REPORTS

Test and inspection reports as required by the applicable procurement specification must accompany each shipment. Test reports shall be legible (reproducible condition) and include the designation, specification, and latest revision letter.

AQR09 – FIRST ARTICLE INSPECTION

First Article Inspection is required on a part representative of the production process to be used in the manufacture of these parts. A copy of the First Article documentation is to be maintained on file and available upon request of Acree.

AQR10 – STATISTICAL PROCESS CONTROL

Statistical Process Control is required during the manufacture of the item(s) for which this clause is called-out. SPC shall be in accordance with a plan approved by Acree Quality Assurance. Key, Critical & Significant Characteristics are required to meet Cpk 1.33 min. requirements. Control charts shall be submitted with shipment.

AQR11 – SAMPLING (C=0)

Unless otherwise specified final acceptance when less than 100%, shall be based on a statistically valid method. Zero defect acceptance (C=0) is the required acceptance criteria to be used.

AQR12 – ACREE SOURCE INSPECTION

Acree source inspection is required at vendor's facility. Necessary equipment and assistance shall be made available to purchaser's representative.

AQR13 – TRACEABILITY

All parts, material and/or applicable documents must be identified by a manufacturing lot number or batch number by the seller. (A lot or batch number is defined as parts and/or material produced by one manufacturer in one unchanged process, in accordance with the same drawing and/or specification revision).

AQR14 – REQUIREMENTS FOR TEST SPECIMENS

Vendor will ensure that all requirements for test specimens as stated on the Purchase Order, including production methods, number, storage conditions, design approval, inspection/verification, investigation and auditing, are adhered to.

AQR15 – NONCONFORMING PRODUCT CONTROLS, RECALLS & ESCAPE NOTIFICATION.

Subcontractors are required to report any failure, malfunction, or defect in any product, part, process or article that is manufactured and delivered to Acree and obtain Acree approval for non-conforming product disposition.

AQR16 – CHANGES IN PROCESS OR PRODUCT

The vendor shall notify the buyer of changes in process, product, and/or material, changes of suppliers, changes of manufacturing facility location, and have a system in place to do so and where required, obtain Acree's approval.

AQR17 – FLOWDOWN OF REQUIREMENTS

When required by contract or PO, all requirements shall flow down to the supply chains, including customer requirements.

AQR18 – RECORD RETENTION

Vendor shall retain all records pertaining to material, manufacturing processes, special processes, testing, and inspection for seven (7) years or on special projects ten (10) years minimum. Notify Acree prior to destruction.

AQR19 – ACREE SURVEY/AUDIT RIGHTS (RIGHT OF ACCESS)

Acree and/or Acree customers (including Government) and Regulatory bodies shall have the right to conduct surveys and perform surveillance of the vendor's and sub-vendor's facilities to evaluate their capability to comply with the requirements necessary to conform to contractual requirements. Government, Customer or Regulatory Agency reserves the right to inspect any or all of the work included in this Purchase Agreement at the supplier's plant prior to shipment. Verification by the customer shall not absolve the supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by customer. Supplier shall be notified prior to shipment if Government, Customer or Regulatory Agency inspection is required.

AQR20 – CONTRIBUTION TO PRODUCT/SERVICE CONFORMITY

Suppliers are required to ensure that their personnel are aware of the technical regulations and the standard's requirements applicable to their products. Acree will make sure that consignment will be accompanied by a Certificate of Conformance as required. Supplier is required to ensure that their personnel are aware of their contribution to product/service conformity.

AQR21 – CONTRIBUTION TO PRODUCT SAFETY

Product safety is 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. Supplier is required to ensure that their personnel are aware of their contribution to product safety.

AQR22 – IMPORTANCE OF ETHICAL BEHAVIOR

Supplier is required to ensure that their personnel are aware of the importance of ethical behavior. Employees and suppliers to which this principle applies must make good, ethical decisions based on their companies fundamental values of honesty, integrity, promise keeping, fairness, respect, concern for others, and personal accountability. When the law and your company are silent on an issue, employees and suppliers must nevertheless make decisions that are legal, and ethical.

AQR23 – COUNTERFEIT PARTS PREVENTION

The supplier shall prevent the use of counterfeit parts and ensure parts provided are from the original or authorized manufacturer suppliers. Made to original or authorized manufacturers specifications and approved for use. Any counterfeit or suspect counterfeit, goods and materials delivered to Acree will be controlled by Acree to prevent reentry into the supply chain.