

PURCHASE ORDER QUALITY REQUIREMENT CLAUSES – updated 10/19/2020

Clause 1: Quality System Requirement

The Seller agrees to maintain a Quality System, to the extent required, consistent with applicable industry standards. The Buyer reserves the right to review the Supplier's Quality system.

Clause 2: Certificate of Conformance (C of C) Requirement

The Seller shall provide Certificate of Conformance with the delivery of the products stating that the requirements of CBOL's purchase order have been fully met.

Clause 3: Record Retention

The Seller shall maintain records regarding Buyer's purchase order, specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data. Records shall be maintained by the Seller for a minimum of 15 years or as specified by the customer after which the Seller agrees to either return or destroy related records.

Clause 4: Right of Access Requirement

The Seller shall permit CBOL customers, regulatory agencies, and CBOL staff the right of access at The Seller's premises for surveillance or investigation in order to verify the quality of work, records and conformance of purchased products to specified requirements.

Clause 5: Latest Revisions Requirement

Unless otherwise stated, The Seller shall supply products that meet all requirements of the latest manufacturer's revision level.

Clause 6: Part Number Change Requirement

Alternate or equivalent part numbers must be approved prior to shipment and acceptance by CBOL's Quality and Purchasing Department.

Clause 7: Counterfeit Parts Requirement

All electrical, electronic and electro-mechanical parts delivered and/or used in the manufacture of products shall be from the Original Component Manufacturer (OCM)/ Original Equipment Manufacturer (OEM) or their franchised dealer or an authorized distributor. Parts shall not be acquired from independent distributors or brokers unless specifically authorized in writing by the buyer. The Seller shall verify the procurement source and associated certifying paperwork. Appropriate inspection and/or test methods shall be used to detect potential counterfeit parts and materials. The Seller shall flow this requirement down to all sub-tier suppliers to prevent the inadvertent use of counterfeit parts and materials. The Seller shall specify on their purchase order to the sub-tier suppliers that they shall only procure electrical, electronic and electro-mechanical parts from the original manufacturer of the part or the original manufacturer's authorized distributor or authorized franchised dealer only.

Clause 8: Specialty Metals Flow-down to Supplier Requirement

Per DFARS 252.225-7014, contractors (including their suppliers at every tier) are prohibited from incorporating into military parts, components, and item deliverables "specialty metals" (identified in the clauses, including titanium and stainless steel) which have been melted outside the United States unless there are certain limited exceptions set forth in the clause or DFARS Subpart 225.7002-2 can be applied. Specialty metals melted in a qualifying country or incorporated into assemblies manufactured in a qualifying country can be acceptable. Those qualifying countries are listed in DFARS 225.872-1(a) or (b). The Seller shall ensure that the specialty metals clause requirements have been flowed down to their sub-tier suppliers if they are the source of your materials. Also The Seller shall take the necessary steps to ensure that their suppliers provide only specialty metals (such as titanium or stainless steel) that have been melted within the United States or a qualifying country with proper certifications.

Clause 9: Foreign Object Damage/Debris (FOD) Requirement

The Seller shall establish, document, and maintain a program to control and prevent Foreign Object Damage/Debris (FOD) during the Seller's manufacturing, assembly, test, and inspection. Delivered products must be clean and free from any material/debris, such as machined chips, burrs, grinding dust, forming materials, corrosion, oil and other foreign material on surfaces to prevent FOD entrapment.

Clause 10: Lots Segregation Requirement

The Seller shall not mix different date codes or production lots and shall not combine new surplus parts with new production parts. Parts may be submitted in one shipment provided the different date codes and lots are identified and segregated.

Clause 11: Flow Down to Sub-Tier Suppliers Requirement

The Seller's Quality System shall assure all purchase order requirements are flowed down to their sub-tier suppliers to make sure their sub-tier suppliers also comply with the same requirements specified on CBOL's purchase order.

Clause 12: Conflict Minerals Requirement

The Seller shall notify CBOL if the Seller is subject to SEC Conflict Minerals Rule. The Seller shall inform CBOL if the products are not "DRC Conflict Free."

Clause 13: Application of Acceptance Authority Media (AAM)

The Seller shall comply with the AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of the Acceptance Authority Media (AAM) requirements.

The Seller shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System (QMS).

The Seller shall, upon Boeing request, be able to demonstrate evidence of communication to its employees and to its supply chain; use of AAM must be considered as a personal warranty of compliance and conformity.

The Seller shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The areas of focus of this assessment shall include but not limited to:

- Authority Media Application Errors (i.e. Omission, Typos, Legibility, etc.)
- Authority Media Application Untimely Use (i.e. Documentation is not completed as planned, "Stamp/Sign as you go", etc.)
- Authority Media Application Misrepresentation (i.e., Uncertified personnel, Falsification of documentation, Work not performed as planned, etc.)
- Authority Media Application Training Deficiencies (i.e. Ethics, Culture awareness, Proper use of authority media, etc.)

Clause 14: Awareness

Ensuring that persons are aware of: their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

Clause 15: Supplier Performance Expectations

Unless otherwise specified, seller agrees to adhere not to exceed 20% late deliveries for 3 consecutive months and not to exceed 5% on both return rate and product quality