



Title: AS9100 Purchase Order Terms & Conditions

284 & 272 Brodhead Rd, Bethlehem PA 18017
(610)882-3740 dave@microtool.com

AS9100 & ISO 9001

F-740-03 Rev 1 Revision Date: 05/01/2017

This document describes the Supplier Requirements necessary to satisfy AS9100. These terms and conditions apply to all suppliers of product and/or manufacturing services determined by Micro Tool Company to directly affect the quality of products we supply to our aerospace customers.

By accepting our purchase order, it is understood that your organization agrees to meet the following AS9100 requirements whenever a Micro Tool Company purchase order specifies that the order is for an aerospace component.

1. Micro Tool Company reserves the right of final approval of product, procedures, processes, and equipment.
2. All special processes required by this purchase order must be performed by qualified personnel.
3. Our organization reserves the right to review and approve the Suppliers Quality Management System. Standard QMS requirements include:
 - 3.1. Suppliers providing special processing must maintain a system for validating processes similar to that of a NADCAP program, or other system as required by this purchase order.
 - 3.2. Customer directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.
 - 3.3. Suppliers initially approved for use via Certification (ISO, AS9100, ISO 17025, AS9120, etc.) must notify our organization of any changes to that certification.
 - 3.4 Suppliers providing NADCAP certified services must provide current documentation of these services and shall notify Micro Tool Company of certification changes such as process, scope and revision.
4. The Supplier shall maintain on file and make available to (upon request) Micro Tool Company, its customers and/or regulatory authority, all quality data/records such as certificates of material and/or processes, acceptance test reports, inspection records, control plans and other applicable quality control data for a minimum of 10 years from completion of purchase order that directly affects the quality of parts/services ordered by Micro Tool Company. At the end of the retention period supplier shall provide the option for Micro Tool Company to take possession of the records.
5. To ensure product identification and traceability, Micro Tool Company requires material certificates, certificates of conformity, and/or supporting documentation from its suppliers as is appropriate. These requirements will be specified on the purchase order.
6. Micro Tool Company may require a Corrective Action Report from its suppliers when nonconforming material/product/service is discovered. Specific actions may be implemented where timely and/or effective corrective actions to a supplier issue are not achieved. These actions may include, but are not limited to, removal of the supplier from the approved supplier list



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7. In order to maintain the integrity of the first article inspection process with our aerospace customers, the supplier is required to:

7.1. Notify our organization of nonconforming product immediately upon discovery, including any latent defects in products in already delivered to Micro Tool Company.

7.2. Obtain our organizational approval for nonconforming product disposition. All parts that are dispositioned as nonconforming must be identified with a discrepant part tag or other means of identification.

7.3. Notify our organization of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations.

7.4. Flow down applicable Micro Tool Company purchase order requirements to their sub-tier suppliers.

8. Micro Tool Company, its customers and/or any regulatory authority shall have the right of access to the supplier's facility and all applicable records for parts/services purchased by Micro Tool Company.

9. All Suppliers providing calibration services must be certified to ISO 17025 (or equivalent). All calibration certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).

10. The Supplier shall provide packaging in accordance with the best commercial packing methods, to protect the product from damage and for safety in handling during the shipping process or, per specific instructions as noted on our purchase order.

11. Any new supplier (as of 11/21/2016) for aerospace components shall provide current documentation of all quality system certifications, NADCAP certifications as well as the scope of the accreditations as requested by Micro Tool Company.

All Purchase Orders ("PO") issued to Supplier Micro Tool Company are subject to the following Terms and Conditions:

12. Approved/Certified Suppliers: Suppliers shall maintain a Micro Tool Company (MTC) approved quality management system (QMS), demonstrating compliance with all applicable AS9100 requirements.

12.1. If a supplier is certified for a QMS via ISO 9001, AS9100, and/or NADCAP they will be considered as having an MTC approved QMS.

12.2 If a supplier does not maintain their QMS or repeatedly fails to respond to nonconformance issues they will be removed from the approved supplier list and given no new work.

13. **Authority:** All agreements between Supplier and MTC shall not be binding on either party unless documented by a new PO or amended PO.

13.1 **Blanket POs:** A Blanket PO may from time-to-time be supplied as a courtesy to Supplier in order to economically schedule Supplier's production and identify in advance any capacity constraints, shipment interruptions, raw material issues, etc. that may arise over the term of the blanket PO. All Blanket PO's are forecasts derived from MTC's End-Customers' forecast(s) of their annual and monthly demand. In the event that the End Customer's forecast changes, MTC has the absolute right to change, at any time, the Supplier's forecasted demand and delivery dates found in Suppliers' blanket PO(s). MTC retains the right to alter delivery quantities and/or delivery dates for parts due beyond the stated lead time from the date of notification, with no liability for excess finished stock, WIP or raw materials.

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14. On-Site Survey & Surveillance (Right of Access): MTC, their end-customers and/or regulatory authorities (e.g. FAA or DOD) shall have the right to conduct surveys and surveillance within your plant, including any sub-tiers' operations, to evaluate capability to comply with PO and/or quality requirements. Supplier will be required to support MTC's, their customer's, of the third part authority's representative with adequate facilities, equipment and responsible Supplier personnel.

15. Certificate of Conformance : Supplier must submit a Certificate Of Compliance (C of C), in an acceptable industry-standard format to certify that the material and processes used to fulfill the PO meet all specified requirements. The necessary documentation and test data must be on file to substantiate the C of C. The C of C must include as a minimum and applicability; Supplier's Name, Supplier's address, MTC PO number, part number, batch/heat number(s), quantity in shipment, authorized name and title (typed and signed), date the C of C was issued, and statement of conformance referencing the specification (including revision).

15.1. Special Process Certifications: When MTC drawings and/or specifications require special processes, a certification is required for each special process.

16. Control of Suppliers' Sub-Tier(s): Supplier shall be wholly responsible for conformance to requirements of materials and services purchased from Supplier's Sub-Tiers. Supplier shall assure and certify their Sub Tiers' performance via inclusion in Supplier's C of C to the requirements of applicable specifications found in all drawings and part documentation.

17. Code of Conduct: MTC has a built a reputation and ethical, moral and legal business standards by conducting business with honesty and integrity. If applicable, we ask that our suppliers adhere to the same standards when conducting business with MTC. MTC complies with the letter and spirit of every applicable local, state, federal law or regulation. Violations of these laws or regulations can be extremely costly to MTC and can subject us to criminal penalties. We ask our suppliers to comply with all applicable laws and regulations when doing business with MTC.

18. Employment Laws: We are committed to providing a work environment that is free from all form of discrimination, including sexual harassment and harassment based on race, color, religion, sex, national origin, age, disability or other protected status. We provide equal opportunity in all of our employment practices and seek to ensure that each one of us is treated with fairness and dignity. In addition, we comply with all federal and state laws regarding child labor. We comply with all applicable employment and labor laws.

19. Occupational Health and Safety and Environmental Laws: We are committed to providing a healthy and safe work environment. MTC's employees abide by company standards in safety matters, we do our part to maintain a healthy and safe work environment and take the necessary steps to ensure the safety of our employees and the safety of others. We also respect and protect the environment. We are committed to reducing our impact on the planet and endeavor to reduce energy and natural resource consumption. We comply with all applicable environmental laws and regulations.

20. Micro Tool Company Gift Policy: MTC does not make or accept improper payments or gifts. Improper payments include anything of more than nominal value given to any person to obtain preferential treatment for either MTC or an employee. You may not solicit or accept gifts or favors of more than nominal value from persons who deal or seek to deal with MTC. Likewise, you may not give gifts or favors to these persons.

21. Laws Governing International Activities: If you are involved in international activities, you must be familiar with the Foreign Corrupt Practices Act. This Act generally prohibits payments to foreign officials to induce actions by them and

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requires us to maintain accurate books and records and a system or internal controls. We are prohibited from taking any action in support of an international boycott no sanctioned by the U.S. government. If you are involved in exports including the transmission of technical data over the Internet or other electronic means, you must be familiar with the export laws and our policies and procedures.

22. Conflicts of Interest: A conflict of interest exists when an individual's duty of undivided commercial loyalty to MTC is or is perceived to be prejudiced by actual or potential personal benefit from another source. Conflicts of interest may result directly through our activities or indirectly through the activities of a family member, person sharing our household or person with whom we are associated. You may not solicit or accept salaries, fees, commissions or any other type of compensation from any individual or organization that conducts or seeks to conduct business with MTC or one of our competitors, and you may not have a financial or other interest in those who deal with MTC. You may not make a loan, extend credit to, or receive a loan or credit from those who deal with MTC. You must not directly or indirectly attempt to influence.

23. Age Control Materials: All material furnished to support the PO must be clearly marked and identified with the respective cure date, manufacturing date, shelf life, and expiration date, if applicable. All perishable or limited shelf life items requiring controlled storage temperatures must be supplied in containers noting the special storage requirements. Material shipped to MTC shall have a minimum of 75% remaining on the specified shelf life

24. Material Safety Data Sheets (MSDS): The supplier must supply an MSDS with the material, if applicable. If data is not immediately available, forward MSDS data form to MTC within 10 days of receiving the order.

25. Supplier's Incoming Material: Supplier's procured material and details used in parts supplied to MTC shall be subject to a system that will assure conformance to drawings and specification requirements. The system will use test reports, specifications and inspection verification as appropriate, as well as the physical and chemical properties of the materials. Raw material shall be clearly identified as to the composition, heat treatment, source location, specification number(including revision), and any other characteristics imposed upon us by our end-customers and regulatory agencies.

26. Quality Control Records: Records of inspection, test, purchased materials, special processing, engineering changes, serial numbers and other quality assurance activities shall be maintained and available for review by MTC personnel, our customers and/or regulatory agencies. Such records shall be stored for not less than (10) years after completion of the PO contract for non-flight safety parts and forty (40) years after completion of the PO contract for flight safety parts.

27. Sampling Procedures: When performing less than 100% inspection, sampling procedures shall be based upon a plan approved by MTC quality assurance unless otherwise specific by customer requirements.

28. Change Control (Supplier Changes): The supplier shall not make any changes to the approved PO of the product or service to specified requirements, unless MTC provides, in writing, official revised documentation. Supplier shall maintain a change control system to ensure all changes to drawings, specifications and/or test methods are incorporated per the AS9100 requirements. When the Supplier's drawing number and revision change level are specified on an MTC drawing, products must conform to both Supplier's and MTC's drawings at the revision change levels shown. Supplier's requested changes to drawings and processes must be transmitted to MTC with sufficient data to enable a complete evaluation of the request. Changes shall not be incorporated until authorized, in writing, by MTC.

29. Supplier Required Notifications: The supplier shall notify MTC of nonconforming product and return the material clearly identified with defect information for evaluation. The Supplier shall notify MTC of any changes they would like to

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make to the product, processes, suppliers, and facilities before the changes are implemented. The Supplier shall wait for approval from MTC (and MTC's Customer's were necessary) before processing any approved parts with the proposed changes.

30. Process Control : Specific controls shall be established, defined in writing, maintained and recorded by Supplier on all manufacturing processes. Supplier in the course of continued manufacturing of the product shall not make any changes to any of the operating or control parameters associated with the processes without written approval from MTC. These processes shall include, but are not limited to, anodize, heat treat, passivate, plating, chemical film lube, magnetic particle inspection, liquid penetrant inspection, mechanical tests, and chemical composition analysis.

31. Tooling, Gauging & Test Equipment: Supplier shall maintain suitable tools, gauges and test equipment for fabricating, measuring and testing for conformance. Supplier shall maintain a system for periodic inspection & calibration of the test equipment traceable to the National Institute of Standard Technology (NIST). Supplier must also have a positive recall system in place as well as a positive action taken for equipment received out of tolerance that could compromise the quality of the finished product.

31.1. Supplier shall ensure that each individual performing final inspection has an eye examination performed by a medically qualified individual annually and that, if correction is required, each individual uses the required corrective lenses when performing the inspections. At least one eye must have corrected or uncorrected vision equal to or better than Snellen 14/18, (20/25), Jeager 2 not less than 12 inches.

32. Identification: All product supplied to MTC shall be identified in accordance with PO and/or drawing requirements. If serial numbers are required by MTC specifications or drawings, they shall be nonrecurring and the supplier shall maintain records of their application.

33. Packaging & Preservation: The supplier shall provide effective damage-avoidance packaging, specifically no metal-to-metal contact of parts (i.e.; provide separators between each part and appropriate dunnage (e.g. avoid parts rattling in the container). Newspaper or small Styrofoam peanuts are not permissible in packaging. Parts shall be properly protected, from initial receipt of WIP parts, through shipment of end-item to MTC (i.e.; shipped, delivered and/or picked up) to prevent damage, contamination and deterioration. Supplier's personnel shall be trained and have knowledge of this clause including all instructions regarding special handling requirements as applicable. Raw material shall be protected against corrosion or rust during manufacturing, storage and shipment. Magnesium alloys, carbon steels, low alloy steels and bare 400 series stainless steels shall be protected adequately.

34. Shipping Requirements: Supplier must use the carrier and mode of transportation identified on the PO or unless otherwise authorized, in writing, by MTC.

35. Acceptance: Acceptance shall be at MTC's facility or otherwise specified on the PO. Any parts determined as nonconforming may be returned to Supplier for rework at the supplier's expense.

36. Source Inspection: MTC's quality people shall have the right to inspect product at Supplier's facility as part of or in addition to its incoming inspection activity. Acceptance of parts by source inspection does not preclude subsequent return of the product if further inspection detects nonconformances. MTC shall notify Supplier 24 hours prior to a source inspection request.

37. Nonconforming Material: The supplier shall identify nonconforming parts clearly with tags, including statement of drawing characteristic, location and actual description of the nonconformity. The supplier is NOT allowed to disposition

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nonconforming product without written approval from MTC Supplier shall maintain a system for the control, segregation, and identification of nonconforming product. Requests for corrective action must be answered within the time period specified in the "Supplier Rejection Notice E-mail".

38. Software Control: The supplier shall establish and implement a "Software Quality Assurance Plan" (SQAP), as applicable, to assure that deliverable and non-deliverable software used directly for design, fabrication, inspection, test or operation of deliverable articles is controlled and complies with the intent of AS9100 requirements.

39. Mercury Free Material: Material furnished under the PO must be certified as "Free Of Mercury" in any form. Mercury bearing instruments and/or equipment, which may cause contamination, shall not be used in the manufacture, assembly or testing of these materials. This requirement must be passed on to sub-tier suppliers.

40. Conflict Mineral Requirement: All parts must comply with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") regarding the sourcing of tantalum, tin, tungsten and gold from certain mines within the Democratic Republic of Congo (DRC) or adjoining countries as defines in the Act. All necessary steps must be taken to implement conflict-free sourcing wherever possible.

41. Special Process Certifications: When MTC drawings and/or specifications require special processes, a certification is required for each special process, including the source performing the process.

42. Approved Special Process Sources: Suppliers performing special processes must be NADCAP accredited. Contact MTC for those sources approved, if required.

43. Certificate of Analysis: A completed original Mill certified test report, including chemical & physical properties for all raw materials are required with each shipment attached to the packing list. Whenever direct reference to the specific material specification is made by the drawing and/or PO, all certifications shall include the applicable specification and its latest revision letter. Supplier's processing shall not alter the chemistry of the item

44. Parts Sold To The Government: Source Inspection: All Government work is subject to inspection and test by the Government at all times prior to shipment. The Government representative must be notified 48 hours in advance of the time articles or processes are ready for inspection & test., therefore, contact MTC Purchasing 48 hours in advance of Government inspection.

45. Castings: One sample piece, representative of each casting, mold or forging/forming tool or die/mold cavity(s), in any stable material, accompanied with a copy of Supplier's FAIR, must be submitted for MTC written approval of supplier produced tooling. When a casted part includes cored passages or other dimensional design features requiring sectioning of the product for evaluation, Supplier must submit their sectioned layout sample for Micro Tool's evaluation with written approval as well. MTC will not be responsible for quantity production commenced prior to MTC's approval of supplier's tooling/sample product, despite approval (including First Article approval) by our end-customer. MTC's acceptance of a tooling sample(s) does not constitute acceptance of casting Supplier's subsequent production pieces.

46. Heat Treat: Annealing, heat treating or stress relief requirements as outlined in the drawing(s) must be documented with the furnace time - temperature chart(s). The chart(s) must be kept on file subject to MTC's quality assurance review and approval, and maintained per the quality record retention requirements specified in these terms and conditions.

47. First Article Inspection Report (FAIR): First Article Inspection as required, and written acceptance of product produced per AS9102 may be required. There is no charge to MTC for Supplier's First Article(s).

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48. Counterfeit Parts: All Suppliers must adhere to AS6174 regarding, Counterfeit Material and Assuring Acquisition of Authentic and Conforming Material. Sellers of raw materials/components shall insure that only new and authentic materials/components are used fulfilling POs to MTC. Distributors may only purchase materials/components directly from original manufacturers. Use of material that was not provided by these sources is not authorized unless first approved in writing my MTC. The supplier must present compelling support for its request and include in its request all actions to ensure the material is authentic and conforming including all applicable traceability.

49. ITAR & EAR: All drawings and any other accompanying documents provided, if any, may contain information subject to the International Traffic in Arms Regulations (ITAR) and/or the Export Administration Regulation (EAR). Transfer of any Technical Data by any means to a foreign person or foreign entity, whether in the United States or abroad, without first complying with the export license requirements of the ITAR and/or the EAR is against the law and in violation of the terms of any PO. By agreeing to accept any order, Supplier certifies to MTC that Supplier has not violated any ITAR and/or EAR laws in the fulfillment of this order or any subsequent or previous order.

50. General Flow Down Requirements: All specifications flowed out to the supplier are to be interpreted to the most current revisions unless otherwise specified. Required documentation order of precedence is the PO then the print then an OP sheet. Customer specific flowdown requirements that apply to every PO for that specified customer are shown below. Customer specific specifications on specific processes will be detailed on the PO and/or drawing.



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Revision History Record

Date Description of Changes

05/01/2017 Rev 1