

# LeanWerks, LLC

## Purchase Order Quality Codes

**General:** As a supplier to LeanWerks, it is understood that your organization agrees to meet the following requirements whenever a LeanWerks Purchase Order is issued with the referenced Q-Code.

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### Q-100 GENERAL PURCHASE ORDER CLAUSES

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#### 1. Shipping Tolerance

Shipping tolerance is to be no more than the quantity as specified on the purchase order. Any over shipment will not be paid for or returned unless previously agreed upon.

#### 2. On time Delivery Requirements

To be considered on time, all material for each PO must be delivered between five calendar days early and zero days late.

#### 3. Right to access

The customer's representative and/or regulatory agencies shall be afforded the right to verify product quality at the supplier's facility or at LeanWerks at any time. The seller shall provide all reasonable facilities and assistance for the safe and convenient performance of these duties at no increase in price.

#### 4. Record Retention

Unless otherwise specified, when items are specified as "Certification Required" supplier and/or supplier's subcontractor will retain all inspection records, actual chemical/physical, process certification and/or mechanical test data, as applicable, for a minimum of seven years after the final payment under this purchase order. Supplier shall not destroy the records, without first providing LeanWerks the opportunity to retain the records and obtaining LeanWerks written permission for destruction. Supplier will provide a certification to LeanWerks indicating that the PO requirements have been met.

#### 5. First Article Inspection

If FAI (First Article Inspection) is specified on PO then 100% dimensional data or approved sampling plan is required. Unless specified Supplier will use their own form and will retain the records per number four.

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### Q-101 GENERAL AEROSPACE PURCHASE ORDER CLAUSES (IF CONTRADICTION BETWEEN Q-100 AND Q-101, Q-101 APPLIES)

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#### 1. Supplier performance

Our organization reserves the right of final approval of product, procedures, processes and equipment. The supplier's performance will be monitored on a regular basis using on-time delivery, product quality, and customer service performance at a minimum.

#### 2. Special Processes

All special processes required by this PO must be performed by qualified personnel.

#### 3. Right to review and approve the vendors Quality Management System.

Standard QMS Requirements Include:

- a. Vendors providing special processing must maintain a system for validating processes.
- b. LeanWerks specified vendors must operate in accordance with approved specifications and standards as dictated and controlled by LeanWerks.
- c. Suppliers initially approved for use via certifications like (ISO9001, AS9100, ISO 17025, etc.) must notify our organization within 60 days of any changes to that certification.

#### 4. Identification and drawing control

The vendor shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.

#### 5. Right to approve tests/inspection

Our organization reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics.

#### 6. Test Specimens/inspection/auditing

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Our organization reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation or auditing.

### 7. The vendor is required to

- a. Notify our organization of nonconforming product within two weeks and prior to shipping.
- b. Obtain our organization approval for nonconforming product disposition.
- c. Discrepant material shipped without prior approval shall be rejected and returned at sellers expense.
- d. Notify our organization of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations and where required, obtain LeanWerks approval.
- e. Flow down to the supply chain the applicable requirements including LeanWerks requirements.
- f. Ensure that persons are aware of:
  - Their contribution to product or service conformity
  - Their contribution to product safety
  - The importance of ethical behavior.

### 8. Shelf Life Requirements

The vendor is required to supply product that has a remaining shelf life of at least 75% of original life as of the date of shipment unless otherwise agreed upon by LeanWerks.

### 9. Record Retention

The vendor is required to retain all records associated with the Purchase Order for seven years, or as required by contract. The vendor must communicate if LeanWerks's records are being destroyed.

### 10. Right of Access

The vendor is required to provide right of access to their organization by LeanWerks and regulatory authorities. This applies to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

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### 11. Calibration Services

All vendors providing Calibration Services must be compliant to ISO 17025, ISO 10012, ANSI/NCSL Z540 (or equivalent). All Calibration Certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).

### 12. Bill of Lading

Seller shall provide a proper Bill of Lading signed by carrier, or any other legally applicable documents providing title to the goods to purchaser upon delivery, fully protecting all parties in case of damages in transit. All costs incurred due to improper packing or shipping will be paid by Seller.

### 13. Certification of Materials and/or Processes

Certification describing materials and processes used must accompany materials/parts received. Invoice will be aged for payment based on date certification(s) shipping date if FOB origin.

### 14. Counterfeit Material Avoidance.

- a) The supplier's Certification of Conformance represents that the shipment does not contain any 'suspect' or 'known' counterfeit part, work, or material, and ensures that parts, material or work are procured only through Original Equipment Manufacturers (OEMs)/Original Component Manufacturers (OCMs) or their franchised distributors or authorized supplier. The use of any non-authorized supplier requires LeanWerks written approval prior to procurement and use, which shall be accompanied by the supplier's certification furnished to LeanWerks.
  - i) The supplier shall verify the procurement source and associated certifying documentation.
  - ii) Supplier's receiving inspection process shall utilize incoming inspection or test methods, or both, to detect potential counterfeit parts, material or work.
  - iii) The supplier shall flow this clause in its entirety or equivalent down to all lower tier subcontracts to prevent the inadvertent use of counterfeit parts,

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material or work. When an authorized supplier is not utilized by the supplier's lower tier, the supplier shall provide a copy of the risk assessment and their written approval with the certification furnished to LeanWerks.

### 15. AS9102 first Article Inspection

If AS9102 FAI (First Article Inspection) is specified on PO, supplier must meet the requirements of the current revision of AS9102. Any deviations from AS9102 current revision must be approved by LeanWerks.

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### Q-102 CONFLICT MINERALS.

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a) Supplier shall provide LeanWerks with a written certification as to the presence of "Conflict Minerals" contained in or used in the production of the items purchased by LeanWerks and the country of origin of such "Conflict Minerals" as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act. "Conflict minerals," as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, are:

- i) columbite-tantalite (Fe, Mn, Mg)(Nb, Ta)<sub>2</sub>O<sub>6</sub>-(Fe, Mn)(Ta, Nb)<sub>2</sub>O<sub>6</sub> (coltan) – tantalum (Ta),
- ii) cassiterite (SnO<sub>2</sub>) – tin (Sn),
- iii) wolframite (Fe,Mn)WO<sub>4</sub> – tungsten (W),
- iv) and gold (Au),

or any other derivatives; or any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country. Supplier(s) must include a statement of compliance on all Certificates of Conformance delivered to LeanWerks.

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### Q-103 DFARS COMPLIANCE.

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b) Supplier shall provide a certification stating that materials furnished are in compliance with: DFARS qualifying countries (225.872-1) and DFARS "Specialty Metals" (252.225-7008) unless otherwise specified on the LeanWerks purchase order.

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### Q-104 ROHS COMPLIANCE.

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- c) When requested on the LeanWerks purchase order, the supplier shall provide with each delivery a certificate of compliance stating that all materials supplied are within the limits for hazardous substances as established by EU Directive 2002/95/EC. Should any material not comply, the concentration of the hazardous substance shall be reported on a chemical test report. At the discretion of LeanWerks the material may be rejected and returned to the supplier if the concentration of the hazardous substance is over the established limits. LeanWerks also reserves the right to request a written plan from the supplier detailing the necessary steps required to bring the material into compliance and the date when compliance will be established.

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### Q-105 SUBCONTRACTING BY THE SUPPLIER

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The supplier shall not subcontract any part of the manufacturing process or finishing process of any part on this order without prior written approval from LeanWerks. Supplier is also responsible to ensure flow down of LeanWerks's purchase order requirements to any and all sub-tier suppliers

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### Q-106 UNAUTHORIZED CHANGES

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The supplier shall make no process changes to work under this purchase agreement (including design, manufacturing processes, materials, or otherwise which could affect form, fit or function of the items) without prior approval from LeanWerks. If there is any question on what constitutes a process change contact LeanWerks.

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### Q-107 FOREIGN OBJECT DEBRIS (FOD) PROGRAM

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LeanWerks's suppliers and their sub-tiers shall ensure work is accomplished in a manner preventing FOD or material in deliverable items. LeanWerks suppliers and their sub-tiers shall maintain material handling, part protection, housekeeping, tool

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accountability, hardware accountability, parts and materials in a manner sufficient to preclude the risk of FOD incidents. The supplier's FOD program shall be subject to audit and LeanWerks or LeanWerks's customer review and/or approval.

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### Q-108 SUPPLIER CORRECTIVE ACTION

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In all cases of vendor caused scrap and/or rework, LeanWerks reserves the right to issue a CAR (corrective action request) to direct and track root cause investigation efforts and ensure documentation of effective, corrective action.

The vendor agrees to provide a formal response upon request using the LeanWerks provided CAR form. The CAR response form must be fully completed and returned within the timeframe indicated on the form.

If the vendor needs material that has already been shipped to LeanWerks to perform a root cause analysis they must contact LeanWerks's buyer to request the material.

LeanWerks will approve all CAR responses and corrective actions by reviewing the documented evidence or by observation at the supplier site. When a due date extension is needed, contact the LeanWerks buyer. Requests for an extension must be by email and contain the following:

- 1) Reason for the extension request
- 2) Current status of the investigation
- 3) Date being requested for final submittal

The LeanWerks buyer will forward the request to the LeanWerks Quality Director who has the sole authority to grant extension requests.

Delinquent responses without prior approved extension requests are automatically escalated to the LeanWerks Quality Director for review.

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### Q-109 DPAS FLOW DOWN

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The supplier shall understand and be familiar with the requirements of DPAS (Defense Priorities and Allocations System). DPAS rules are standard part of U.S. defense contracting process: (15 CFR 700.11 (a)). The supplier must be capable of meeting any DPAS flow down from LeanWerks. If the supplier does not understand the requirements please contact your local DCMA representative or contact LeanWerks.

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### REVISION HISTORY

Rev	Date	Description	Approved By:
A	5/23/18	Original document	SG