

# SERRA MANUFACTURING CORPORATION

## SUPPLEMENTAL PURCHASE ORDER CONDITIONS (SPOC)

APPLICABLE SPOCS WILL BE REFERENCED BY NUMBER IN THE "Q.A. REQUIREMENTS" SECTION OF THE PURCHASE ORDER. FAILURE TO COMPLY MAY RESULT IN REJECTION OF SHIPMENT OR DELAY IN PAYMENT OF INVOICE.

### QO1 – GENERAL REQUIREMENTS

**Quality System:** The supplier shall maintain a quality system that meets the requirements of NADCAP, ISO 9001: 2008/AS9100 or AS9120 for distributors. Supplier Management shall notify Serra Manufacturing Corporation in writing of all significant changes to the supplier quality system. Significant changes include but are not limited to: changes in quality system, process, or certification status, change in ownership, senior management, and/or facility location.

**Awareness:** Supplier shall ensure that persons in their organization and sub tier suppliers are competent and aware of their contribution to: the conformity of the product or service provided, product safety, and the importance of ethical behavior.

**Approved Suppliers:** Supplier shall maintain a register of its external providers including approval status and scope of approval.

**Right of Entry:** When required on the contract/purchase order, all work performed shall be subject to inspection and test by Serra Manufacturing Corporation and/or their customer representatives and/or Regulatory Authorities at all reasonable times, at the supplier's facility and/or any of its suppliers engaged in the performance of work to fulfill this purchase order.

**Confidentiality:** you are prohibited from any distribution, reproduction, or unauthorized use of information and/or property except for the purpose for which they are provided. Steps must be taken to safeguard and maintain the confidentiality of proprietary information. Observe and respect all trademarks and copyrights and comply with all restrictions and prohibitions on their use.<sup>1</sup>

**Terrorist Financing:** Suppliers will adhere to E013224, Executive Order on Terrorist Financing Blocking Property and Prohibiting Transactions with persons who Commit, Threaten to Commit, or Support Terrorism, effective 09/24/2001. Supplier further agrees to include this requirement in lower-tier purchase orders or subcontractors here under.

**Human Trafficking:** Serra Mfg. Corp. opposes all forms of slavery and human trafficking without exception. Serra will not tolerate or condone from its employees, subcontractors, subcontractor employees, and agents engaging in human trafficking related activities.

**Flow Down Requirements:** The supplier shall use only sub-contractors that have been approved by Serra Mfg. Corp.'s customer for special processes. The supplier shall provide complete flow down of all Purchase Order/ SPOC requirements of this purchase order.

**Calibration:** Supplier shall maintain documented procedures for the control of Inspection, Measuring, and Test equipment in compliance with a current ISO and Industry Standard (ISO/IEC 17025, Guide 25, ISO 10012, and ANSI-NCSL Z540-1 with the calibration equipment and standards traceable to National Institute of Standards & Technology (NIST). Calibration services shall also meet these requirements.

**Performance:** Failure to maintain a minimum quality rating of **3.5**, or adequately address the issues leading to an unacceptable performance level, may result in removal from Serra Mfg. Corp.'s Approved Suppliers List.

**Supplier Approval:** Only those suppliers approved by Serra Mfg. Corp. and Serra's customer as listed on the purchase order are used. If the supplier has lost customer prime approval to perform process required by the purchase order, Serra will not be responsible for payment. Supplier shall not process the order and shall notify Serra immediately.

**Nonconforming Product:** Any deviation from specified requirements, the supplier shall notify Serra Mfg. Corp. in writing describing the deficiency and the corrective action. The order shall be placed on hold until Serra Mfg. Corp. obtains customer disposition. Supplier shall notify within 24 hours after detection of any suspect non-conforming product that has shipped to or for Serra Mfg. Corp.

**Control of Work Transfers:** Any work transferred from the contracted supplier to another organization/supplier, shall ensure the supplier is qualified to perform the process/service per stated requirements, ensure all traceability is kept intact, confidentiality is safeguarded and product is verified.

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**Conflict Minerals:** Use of any Conflict Minerals Per **Section 1502 of the Dodd-Frank Act** is prohibited. "Conflict Minerals" are those minerals mined from the conflict regions of the Democratic Republic of the Congo (DRC), which, as currently addressed include tin, tungsten, tantalum and gold.

**Reach Compliance (EC):** No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the registration, evaluation, authorization and restriction of chemicals (REACH).

Suppliers are responsible for notifying Serra Mfg. Corp. in writing (ei. noted on the certification) of any delivered goods that contain substances listed in the:

- European Chemical Agency List of Substances of very high concern (SVHC). Viewable at: [echa.europa.eu/substances-of-very-high-concern-identification](http://echa.europa.eu/substances-of-very-high-concern-identification)
- Restricted substances annex XV11 of REACH. viewable at: [echa.europa.eu/substances-restricted-under-reach](http://echa.europa.eu/substances-restricted-under-reach)
- Authorization List Annex XIV. Viewable at: [echa.europa.eu/authorisation-list](http://echa.europa.eu/authorisation-list)

**RoHS 3: Directive 2015/863 :** Supplier shall notify Serra in writing of any products that contain restricted substances: Lead, Hexavalent chromium, polybrominated biphenyls and diphenyl ethers, Bis(2-ethylhexyl) phthalate (DEHP), Butyl benzyl phthalate (BBP) Dibutyl phthalate (DBP), Diisobutyl phthalate (DIBP), or Cadmium. Notification may be made on an attachment to or on suppliers Cert of Conformance. Products shall **not** contain any metallic **mercury** or **halogens**, and must be free from contamination by mercury. The supplier shall **not** use mercury components or mercury bearing instruments or equipment that cause the contamination during the manufacture, service, assembly or test of materials. [www.rohsguide.com/](http://www.rohsguide.com/)

**Ozone Depleting Substance Requirements:** Suppliers shall comply with the labeling requirements for Class I and II ozone depleting substances as shown in Section 611 of the Clean Air Act, the amendments of 1990 and the final rules (40 CFR Part 82)(referenced to as the "ACT") The supplier shall label any products supplied to Serra Mfg. Corp. that contain a controlled substance or are manufactured with a controlled substance. The supplier shall immediately notify Serra Mfg. Corp. when it is discovered that the ACT has not been met. **Degreasing Alternative for Honeywell E & S:** Cleaning in accordance with Honeywell C5102, may be used in lieu of methods in specifications requiring cleaning with chemicals that have been identified in the Environmental Protection Agency Clean Air Act, Ozone Deplete list including, but not limited to 1,1,1 trichloroethane, trichlorotrifluoroethane, MIL-C\_81302, Freon, Genesolv D, MIL-C-81533, O-T-620, and Methyl Chloroform.

**International Traffic in Arms Regulations (ITAR):** As Serra may manufacture parts for defense articles, Suppliers must comply with all laws and regulations as applicable to the U.S. Department of State International Traffic in Arms Regulations (ITAR). Information on ITAR regulations may be found at: U.S. Department of State [www.pmdtc.state.gov](http://www.pmdtc.state.gov)

Export Regulations: Serra manufacturing complies with all requirements of the applicable United States export regulations as detailed in the Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR). In complying with these regulations, the company may impose restrictions on data and product including access to data by some customers, independent contractors, agents, suppliers and employees. Certain products may be unavailable for sale in certain countries, and the communication of technical data and information may be prohibited under EAR and ITAR. Military data or technology can only be viewed after receiving authorization from a company export officer. All sales quotes and offers are subject to the restrictions of the EAR and ITAR.

Additionally, Serra Manufacturing abides by all restrictions under the Foreign Corrupt Practices Act (FCPA). No officer, employee, independent contractor, agent, supplier or anyone acting in behalf of the company is authorized to make any offer, payment gift, or provide anything of value to a foreign official unless such offer, payment gift or provision is a valid business expenditure and is properly documented. All officers, employees, independent contractors, agents, and anyone acting on behalf of the company are expected to conduct all business ethically and in accordance with the company policies.

**Counterfeit Part / Material Prevention:** Supplier shall have a control plan in place to meet, as applicable, the requirements of AS6174 Section 3 to prevent the usage of counterfeit parts/materials and assure the acquisition of authentic and conforming materials only, for reporting suspect counterfeit materials. (ref. FAA Advisory Circular AC 21-29.)

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**Foreign Object Debris and Detection:** Supplier shall establish a documented procedure to control and eliminate Foreign Object Debris (FOD) and/or containment during manufacturing, assembly, test and inspection operations IAW NAS 412.

**Packaging:** Product must be packaged in a manner that will prevent damage and deterioration to product during transit

**Records:** Supplier shall retain all records related to inspection, certifications, and control of products for fifteen (15) years minimum after completion of contract/purchase order, unless otherwise specified on the purchase order.

## **Q02 – METALIC RAW MATERIALS**

Material certification shall include physical and chemical test results as defined by the material specification. All reports must identify the material with heat or lot number (as applicable), specifications with current revision, material description, mill source, purchase order number, quantity, statement on certification and signature of the responsible individual that attests to the accuracy of the product and testing.

Specialty metals must be domestically melted or melted within a qualifying country as defined in DFARs 252.225-7009 Berry Amendment Requirements.

A COPY OF THE ORIGINAL MILL/MELT SOURCE CERTIFICATION MUST BE PROVIDED.

## **Q03 – CERTIFICATE OF CONFORMANCE**

Certificate of Conformance is required for standard parts, i.e. nut plates, rivets and clamps, also non-metallic raw materials unless otherwise specified on the purchase order. All certifications must identify the material with lot or batch number (as applicable), specification with current revision, material description, purchase order number, quantity, statement of certification, and the signature of the responsible individual that attests to the accuracy of the product.

**Age Control of sensitive material:** The supplier must ensure that a **minimum of 90%** of the manufacturer shelf life remains upon receipt by Serra Mfg. Corp. The cure date and storage shelf life expiration date in accordance with specification must be on the certification.

## **Q04 – SPECIAL PROCESSES CERTIFICATIONS**

Special processing certifications, including but not limited to, heat treat, penetrant or magnetic particle inspection, plating, passivation, welding, anodizing, painting or any surface treatment. The documentation must identify, as a minimum, part number with revision, process name, specification with current revision level, actual plating thickness (as applicable), any special requirement called out on the purchase order, the purchase order number, quantity, statement of certification and signature of the responsible individual that attests to the accuracy of the product and testing.

A1 Supplier is approved to supply product on this Purchase Order ONLY.

A2 Heat Treat Charts shall be supplied on this Purchase Order.

A3 All dimensions shall be met after plating unless otherwise specified.

A4 Use of Glass bead, EDM, Chemical Etching, Laser prohibited unless specifically specified.

## **Q05 - FIRST ARTICLE INSPECTION**

The supplier shall perform a First Article IAW the current Revision of AS9102.

## **Q06 - 100% INSPECTION REQUIRED**

Sampling inspection is not allowed on this order. All drawing characteristics, including notes must be inspected/ addressed, with actual results documented and made available upon request.

## **Q07 - SOURCE INSPECTION REQUIRED**

This order requires Serra Mfg. Corp. Source Inspection prior to shipment. Notify Serra Purchasing Agent **24 hours** in advance of date source inspection will be required at your facility.

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## **Q08 - GOVERNMENT SOURCE INSPECTION REQUIRED**

Government source inspection is required prior to shipment from supplier's facility. Upon receipt of this purchase order, supplier shall promptly notify the government representative who normally services suppliers facility, to allow for the appropriate planning by the government source inspector. If the government source inspector cannot be located, Serra Mfg. shall be notified immediately.

## **Q09 - STATISTICAL PROCESS CONTROL (SPC) DATA REQUIRED**

The Supplier is required to use SPC methods to chart the appropriate attribute or variable Key characteristic(s) to verify Process control. The required minimum Cpk index for the characteristic(s) specified is **1.33** unless otherwise stated on the Purchase Order.