



ISO 9001/AS9100 Certified

## TERMS AND CONDITIONS FOR SUPPLIERS

### • DEFINITIONS:

**Atscott** refers to Atscott Mfg Inc.

**Supplier** refers to the entity that is receiving the Purchase Order and fulfilling the actual Purchase Order. The Supplier may be a Distributor, Manufacturer, Producer, Retailer, Provider of a Service or Information, or any other entity empowered to sell the goods or services contracted by the Purchase Order.

**Authorized Purchasing Agent** refers to the Atscott representative whose name appears on the Purchase Order.

**QPL** refers to a Qualified Product List.

• **ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS:** Supplier's acknowledgement, acceptance of payment, or commencement of performance shall constitute Supplier's unqualified acceptance of Atscott's Terms and Conditions. Failure to meet terms and conditions of Purchase Order may result in delayed payment of invoice, cancellation of order, return of merchandise at Supplier's expense, or reduction in future orders. Supplier is required to flow down to sub-tier Suppliers all applicable requirements of this Purchase Order, including special or key characteristics or critical items where required.

• **RIGHT OF ACCESS:** Acceptance of this Purchase Order by the Supplier grants representatives from Atscott, Atscott's customers (only if needed or authorized by Atscott), and regulatory agencies the right of entry to the Supplier's premises and right of access to Supplier's records for the purpose of verifying that purchased materials or processes conform to specified requirements.

• **COMPLIANCE WITH LAWS AND REGULATIONS:** Supplier warrants that they have been duly authorized to do business in the jurisdiction in which the work is to be performed; that they have obtained at no cost to Atscott or Atscott's customer(s) all necessary and required licenses and permits required in connection with this Purchase Order, and that they will comply fully with all pertinent laws, decrees, regulations, and labor standards of such country or countries during the performance of this Purchase Order.

• **QUALITY SYSTEM:** The Supplier must maintain a documented Quality System (manual). This documented Quality System must include provisions for the Supplier to manage the competence, awareness, and training of all personnel. Atscott reserves the right to request evidence of a documented quality system of the Supplier and applicable sub-tier Suppliers.

• **WORKMANSHIP:** All components must be manufactured, inspected, tested and verified in a documented and controlled process. Objective evidence of workmanship instructions, Inspection records, and training records shall be retained and available by the supplier for Atscott's review upon request. Where applicable, statistical methods for product acceptance may be used should the supplier demonstrate appropriate justification for these methods. Special Instructions for product acceptance, Special requirements, critical items, or key characteristics will be stated on the purchase order where appropriate.

• **PRODUCTION PROCESS VERIFICATION:** When specified on the Purchase Order, supplier shall provide a copy of the certificate of conformance. If order for raw material bar or sheet stock, material cert including mill specs to be required. Should First Article Inspection be required to be approved by Atscott prior to shipment, this requirement will be clearly stated on the Purchase Order.



• **DESIGNATED SOURCES:** When Sources or Special Processes are defined on the Purchase Order, suppliers shall use Atscott's designated sources, including process sources. Evidence of source and/or special process supplied shall accompany product with shipment. Failure to comply with the Purchase Order may cause product or process to be rejected at the dock and returned to the Supplier freight collect.

• **FOREIGN OBJECT DEBRIS (FOD) PROGRAM:** Suppliers shall have procedure implemented to prevent foreign objects or material in purchased components. Atscott's suppliers shall maintain handling, in process protection, housekeeping, work area accountability, parts, and byproducts in a manner to prevent the risk of FOD occurrences. The suppliers FOD Program shall be subject to audit and to Atscott's or their customers review and approval.

• **SUBSTITUTIONS:** No substitutions allowed whatsoever. The product shipped to Atscott must exactly match those shown on the Atscott Purchase Order. To ship an alternate product, a Supplier must receive prior written authorization from Atscott (formal change order to the Purchase Order). Product deviations from the Purchase Order may be rejected at the dock and returned to the Supplier freight collect.

• **SHELF LIFE:** In cases of materials with expiration dates, at least **85%** of shelf life is required upon delivery unless otherwise agreed upon or specified.

• **NONCONFORMANCE OF PRODUCT/PROCESS:** If at any time Supplier becomes aware that shipped material is nonconforming product/process, Supplier must immediately notify buyer to negotiate arrangements for disposition. Atscott does not accept nonconforming material, and no oral agreement or action of any kind may alter this provision without specific written agreement by Atscott.

• **COUNTERFEIT MATERIAL AVOIDANCE:** Suppliers shall maintain a counterfeit material avoidance and mitigation process and be able to produce for review by Atscott. If supplier does find counterfeit components in the process of supplying components to Atscott, supplier will immediately notify Atscott. Supplier shall purchase components directly from OEM, OCM, or from authorized distributors and have traceability records, test data to support documentation. Suppliers are not authorized to deliver any components from any other than those noted above without written consent from Atscott.

• **CHANGE IN PRODUCT AND/OR PROCESSES:** Any change in the product and/or process definition and/or site of manufacture must be made known in advance of shipment to Atscott for authorization/approval. (Also includes changes in ownership, change in quality control procedure and any change in the QPL.)

• **IDENTIFICATION AND TRACEABILITY:** Atscott requires that all purchased products – including raw materials and packaging – are clearly identified by part number, trade name, or chemical name – and that lot numbers and/or batch numbers are clearly designated on the delivery paperwork. Date of Manufacture and Shelf Life/Expiration Date must also be clearly labeled on all products that have a shelf life as well as on corresponding paperwork.

• **DELIVERY PAPERWORK:** Delivery paperwork at a minimum must include a packing slip and any other paperwork designated on the Purchase Order. All raw materials must be accompanied by a written Certificate of Analysis and Material Safety Data Sheet regardless of whether the Purchase Order specifies these documents. All written paperwork must be received in order for a Purchase Order to be considered fulfilled. Failure to submit required paperwork – i.e. MSDS, CoA – to Atscott within 24 hours of delivery may result in payment being held. If such paperwork does not exist, a written statement must be supplied to that effect with each order and sent via fax or e-mail to Atscott or attached with the packaging paperwork. Atscott may return products at the Supplier's cost if acceptable required documentation is not received within 3 business days after delivery. Failure to provide the required paperwork will jeopardize the Supplier's performance rating.



• **CERTIFICATE OF CONFORMANCE:** Atscott's suppliers shall include a Certificate of Conformance with each shipment. The certificate shall contain at a minimum the following, if applicable;

1. Original manufacturers and distributors name and address
2. Atscott's PO number, line item and revision
3. Part number, revision and quantity
4. Drawing or specification number and revision
5. Serial numbers, date codes, or batch number
6. Statement of conformance to requirements
7. Authorized agents signature, title and date

• **TIME OF THE ESSENCE; NO WAIVER:** Time is of the essence with respect to every term and condition. No acceptance of partial performance on the part of Atscott shall constitute a waiver of any term or condition without prior express written authorization from Atscott.

• **RECORDS RETENTION:** All records, including certification as required under the terms of this purchase order and which document the quality of the items provided, shall be sent to Atscott for retention.

• **FLOW DOWN REQUIREMENTS:** Suppliers shall flow down to their sub-tier suppliers any applicable Atscott requirements as defined in the purchasing documents (PO, Terms and Conditions, etc.)

• **SUPPLIER PERFORMANCE:** Suppliers providing products and services to Atscott will be continuously evaluated by Atscott based on the suppliers on time delivery and quality performance.

• **PRODUCT SERVICE CONFORMITY, SAFETY, AND ETHICAL BEHAVIOR:** By acceptance of this purchase order, the supplier acknowledges their awareness of their contributions to product and service conformity, product safety and ethical behavior listed in A) B) & C) below and shall communicate this information and requirements to all employees within the organization that have an impact on product conformity.

- A) The materials supplied under this purchase order may be used in aerospace products.
- B) The materials supplied under this purchase order have safety impacts on the final products produced.
- C) The materials supplied under this purchase order must be produced at the highest possible standards of responsible, sustainable and socially aware business practice.

### **DPAS Rated Purchase Orders**

Whenever a DPAS rating appears in the DPAS Rating Field on your Purchase Order, it means that it is a rated order certified for national defense, emergency preparedness, and energy program use, and you are required to follow all the requirements of the Defense Priorities and Allocations System regulation (15 CFR part 700). By acknowledging the PO you accepted the DPAS rating.

### **Defense Priorities and Allocations System (DPAS)**

- A regulation administered by the Department of Commerce (DoC) that implements the priorities and allocations authority contained in Title 1 of the Defense Production Act (DPA) of 1950 with respect to industrial resources. The purpose of DPAS is to ensure the timely availability of industrial resources to meet national defense and emergency preparedness requirements. Certain national defense, energy, and homeland security programs are approved for priorities and allocations support. The DoC has delegated authority to DoD to place priority ratings on its contracts in accordance with DPAS and DoD issues approximately 300,000 rated orders annually. DoD uses two priority ratings: DX and DO. DX rated programs and their orders are of the highest national defense urgency and are approved by the Secretary of Defense (SECDEF) or Deputy Secretary of Defense (DEPSECDEF). DO rated orders are of lower priority than DX-rated orders but take



precedence over unrated orders. DPAS cannot be used to prioritize food, energy, health, water, or civil transportation resources.

**DPAS rules are standard part of U.S. defense contracting process: (15 CFR 700.11 (a))**

Two levels of priority ratings:

- (DX) Highest national defense urgency
- All DX rated orders have equal priority and take preference over DO and unrated orders
- (DO) Critical to national defense
- All DO rated orders have equal priority and take preference over unrated orders For more information: <https://www.dcms.mil/DPAS/>

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