



## Purchase Order Quality Requirements

The following provisions with their terms and conditions shall become an integral part of the purchase order to the extent specified in the purchase order and shall become a supplement to the presently existing terms and conditions of the purchase order. All specifications and standards referenced in this document are the latest issue in effect at the time of Purchase Order placement, unless otherwise stated.

### 1. STILLWATER TECHNOLOGIES FIELD INSPECTION

Stillwater Technologies reserves the right to visit the plant of the Supplier or his source to survey facilities, systems, and/or product to determine satisfactory conformance to the applicable specifications. Stillwater Technologies Quality Assurance representative(s) may elect to conduct inspection either on a random basis or to the extent of 100% inspection. Supplier will be notified if Stillwater Technologies inspection is to be conducted on specific shipments. No shipments are to be held for Stillwater Technologies inspection unless notification is received prior to, or at the time of, material being ready for shipment.

### 2. IDENTIFICATION MARKING

The manufacturer shall be responsible for legibly and permanently identifying each part in the method prescribed by the detail drawing and/ or purchase order.

### 3. CERTIFICATE OF COMPLIANCE

Certificate of compliance is required with each shipment of this item. The C of C shall contain the P/N(s) listed on the Purchase Order, the name of an authorized Quality Assurance representative of the Supplier, and will read substantially as follows: "Materials and processes, including special processes, used to produce the item(s), components, parts, described on the Purchase Order conform to all Purchase Order requirements, referenced specifications or special requirements." When POQR #9 or #27 is invoked, the Supplier shall provide Certificate of Compliance that contains the name, specification number, type, and class, of the material or process specified in the appropriate specification/drawing. It must include serial numbers, lot codes and date codes, as applicable. It must also list all Special Processes used in the manufacture of delivered items, as defined in POQR #27 below.

If Source Inspection per POQR #12 is invoked on this order, the Certificate of Compliance must be completed and presented to the Source Inspector at the Supplier's facility at the conclusion of the Source Inspection. The Source Inspector shall review the Certificate of Compliance and indicate acceptance on the Certificate (stamp or signature).

### 4. GOVERNMENT REVIEW

During performance on this contract, the government reserves the right to inspect at source of supplies and/ or services. Government inspection shall not constitute acceptance nor replace Stillwater inspection. The purpose of this inspection is to assist the government representative to determine the conformance of supplies or services with contract requirements. Government inspection or release of product prior to shipment is not required unless Supplier is otherwise notified.

#### 4A. GOVERNMENT SOURCE INSPECTION

- (a) Government inspection is required prior to shipment from the Supplier's plant. Upon receipt of this order, the Supplier shall promptly notify the government QA representative who normally services the Supplier's plant so appropriate planning for government inspection can be accomplished.
- (b) On receipt of this order, promptly furnish a copy to the Government representative who normally services your plant or, if none, to the nearest Army, Navy, Air Force, or Defense Supply Agency Inspection office. In the event the representative or office cannot be located, our purchasing agent should be notified immediately.

### 5. WORKMANSHIP STANDARD

The materials and workmanship shall conform to the requirements specified in the appropriate specification/drawing.

### 6. SUPPLIER RESUBMISSION OF REJECTED MATERIAL

Supplier shall notify Stillwater Technologies of shipment of material from lot(s) previously rejected by Stillwater Technologies, and such lots shall be clearly identified as "resubmitted" items on the Supplier's shipping document. If the initial rejection resulted in the issuance of a Stillwater MRR, the Log Number must be referenced on the Supplier's shipping documentation.

### 7. RAW MATERIAL REPORTS

With the shipment, the Supplier shall forward reports of mechanical properties and chemical composition to show evidence of conformance to all applicable specifications for all raw material used in fabrication of the ordered material. With shipment of chemical orders, the Supplier shall forward an SDS.

### 8. TRACEABILITY OF RAW MATERIAL

For all material used on this purchase order, the Supplier must provide a certificate that reads substantially as follows: "Raw materials used in this Purchase Order conform to all applicable Purchase Order requirements and are traceable to test reports at the point of manufacture. Originals or true copies of such reports are available for review by Stillwater Technologies."

### 9. ENVIRONMENTAL QUALITY ASSURANCE PROVISIONS

Ozone depleting substances per EPA Regulations 601-607 of the Clean Air Act and Montreal Protocol shall not be introduced into the manufacturing process of parts, assemblies, components or raw materials unless a written exemption is granted by Stillwater Technologies. Supplier's standard certificate of compliance (POQR# 3) shall be verification that the product has been built in accordance with these requirements for ozone depleting substances and Stillwater Technologies' legal terms, conditions and specifications.

1. Waste Electrical and Electronic Equipment (WEEE) and RoHS (Restriction of Hazardous Substances) Compliance;
  - (a) Product must be compliant to European Union directives 2002/95/EC and 2002/96/EC. Any reference on Stillwater supplied drawings or specifications to EU Directive 2002/95/EC shall be interpreted to require compliance to EU Directive 2011/65/EC after January 2, 2013.
  - (b) When specified by Stillwater, product must be compliant to China RoHS requirements as specified in SJ/T11363-2006 and SJ/T11364.
  - (c) Supplier shall certify that RoHS substances were not introduced into the product during the manufacturing process.
  - (d) Supplier shall certify via material declaration that product has been manufactured in accordance with Stillwater requirements and specifications.

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2. Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Compliance;
  - (a) Supplier must comply with European Union Regulation 1907/2006 E/C
  - (b) Supplier shall certify that REACH substances were not introduced into the product during the manufacturing process.
  - (c) Supplier shall certify via material declaration that product has been manufactured in accordance with Stillwater requirements and specifications.

Stillwater Technologies reserves the right to have any advertised RoHS and/ or REACH compliant product tested for RoHS compliance. If product is determined to be noncompliant, it is the responsibility of the Supplier to replace or correct noncompliant material at Supplier's expense.

### 10. FIRST ARTICLE INSPECTION (FAI)

First article inspection shall be performed and a first article inspection report (FAIR) shall be submitted on the same drawing revision called out on the Purchase Order for Pre-Production and Production builds only. FAIR shall have the supplier name, purchase order number, and part/ assembly number. FAI shall be performed on the first parts manufactured by Stillwater Supplier and sub tier manufacturers and require FAIR approval by Stillwater Purchasing Authority. Supplier may submit electronic copy of FAIR via email to [stillwaterpurchasing@stlwr.com](mailto:stillwaterpurchasing@stlwr.com). In addition, first article inspection shall be performed on current production runs affected by design changes.

### 11. PACKING

Unless otherwise specified on the drawing, the specification, and/or the purchase order, the following requirements are mandatory:

- (a) Prior to packaging, material shall be clean (free from foreign matter). Critical functioning or close tolerance surfaces shall be cleaned to insure removal of corrosion, soil, grease, residues and fingerprints, perspiration or other acid and alkali residues.
- (b) Material not inherently resistant to corrosion shall be inhibited with a suitable medium.
- (c) Material shall be packaged to the extent necessary to provide protection from the hazards of transport, contamination and physical damage encountered in general handling, shelf storage, and issue.

### 12. STILLWATER TECHNOLOGIES SOURCE INSPECTION

Stillwater Technologies reserves the right to perform source inspections at the Suppliers facility. The inspections, if deemed required, will be scheduled through the Stillwater Technologies Quality Assurance and Purchasing organizations. The Supplier is responsible for providing the representative with suitable working area, tools as necessary and identified by the representative, and access to Supplier support personnel in respect to the product and processes associated with the product to be source inspected.

The Supplier shall inform Stillwater Technologies as to the readiness of the product to be source inspected a minimum of 48 hours in advance of material / product availability.

### 13. STILLWATER TECHNOLOGIES IN-PROCESS INSPECTION

In addition to the requirements of Stillwater Technologies source inspection (POQR #12), all items covered by this purchase order are subject to in-process inspection by a Stillwater Technologies Source Inspector. This inspection may include surveillance of the products or the Supplier's systems, procedures, or facilities. Inspection of the hardware will be prior to the application of epoxy materials, hermetic sealing, or any other permanent closure. The Supplier shall provide scheduling for in-process source inspection coverage. Evidence of in-process inspection will accompany each shipment.

### 14. STILLWATER FURNISHED TOOLING

The Supplier is responsible for the protection, calibration, maintenance, and care (other than normal wear) of all tooling and equipment owned by Stillwater Technologies. Said tooling or equipment shall be subject to surveillance inspection upon notice and shall be returned in an acceptable condition upon demand or notice.

### 15. SUPPLIER FAILURE ANALYSIS REQUIRED

As requested by Stillwater Technologies on specific identified occurrences, the Supplier shall provide a complete failure analysis and corrective action report. The report should be supplied in an "Eight Discipline (8D) format or similar. Failure analysis and corrective action report shall describe the actual cause of failure including the component failure mechanism, date code, serial number or lot affected to preclude recurrence of this failure mode.

### 16. SUPPLIER'S QUALITY MANAGEMENT SYSTEM

- (a) The materials and services processed by the Supplier for this order must be controlled by a documented quality management system that conforms to ISO 9001 or AS9100, as appropriate, or:
- (b) The materials and services processed by the Supplier for this order must be controlled by a documented quality management system that conforms to MIL-I-45208, or:
- (c) The materials and services processed by the Supplier for this order must be controlled by a documented quality management system acceptable to Stillwater Technologies.

### 17. CALIBRATION SYSTEM

Measurement and test equipment (MT&E) used in the performance of this order shall be calibrated in accordance with ANSI/NCSL Z540-1 or ISO 10012. In the event MT&E is later to be found nonconforming to requirements after its use on Stillwater product, Supplier shall immediately notify Stillwater Purchasing or Quality authority.

### 18. RIGHT OF ENTRY

Stillwater Technologies Inc., Stillwater Technologies' customer, and statutory/ regulatory authorities shall have the right of entry to Suppliers facilities in order to determine and verify the quality of work, material and all applicable records. This right extends to the applicable areas of all sub tier facilities at any level of the supply chain involved in the purchase order. Such investigations at facilities will be performed jointly by Stillwater Technologies, the Stillwater Technologies customer, statutory/ regulatory authorities, and the subcontractor (as applicable).

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### 19. SERIAL NUMBER

The Supplier shall identify each individual unit/item supplied to Stillwater Technologies with a serial number. These serial numbers shall be sequential and shall not be repeated within a specific part number.

### 20. TEST/INSPECTION DATA

- (a) Inspection measurements and/or electrical test results of items on this purchase order shall be taken and included with each purchase order shipment. Actual data to be recorded shall be specified in the detail specification/drawing. The Supplier shall assure that products failing to meet performance requirements are not shipped to Stillwater Technologies. Test and inspection data shall be submitted electronically to [stillwaterpurchasing@stlwr.com](mailto:stillwaterpurchasing@stlwr.com) or in hard copy with the product.

As a minimum, test data shall include:

- (1) Part number and revision.
  - (2) Stillwater Technologies purchase order number.
  - (3) Supplier's acceptance test procedure number (as applicable) and revision date.
  - (4) Characteristic measured with measurement data.
  - (5) Date of test completion.
  - (6) Evidence of test acceptance by Supplier's Quality Assurance representative.
- (b) Supplier shall document and submit actual inspection results using Supplier documentation. Test/Inspection data shall be maintained in accordance with record retention requirements defined in POQR #26.

### 20A. 100% DIMENSIONAL INSPECTION

100% Dimensional inspection shall be performed for every component on the Purchase Order individually, and a dimensional inspection report for each component shall be submitted (POQR# 20). 100% Dimensional inspection shall consist of all dimensional and tolerances specified in the associated part drawing.

### 21. MATERIAL REVIEW

Nonconforming material supplied under this contract must be processed in accordance with a documented system for the control, material review and disposition of nonconforming material. If, after shipment of product by Supplier to Stillwater Technologies, the Supplier identifies any actual or potential nonconformity of product supplied to Stillwater Technologies or to the processes used in the manufacture of product supplied to Stillwater Technologies, the Supplier shall notify Stillwater Technologies in writing of any such nonconformity, what product or process was affected, and what corrective action was taken by Supplier to prevent recurrence.

### 22. SUPPLIER'S DESIGN AND PROCESS CONTROL

When design or process control is the Supplier's responsibility, the Supplier shall not, without prior approval of Stillwater Technologies, make any change in process, materials or design details that would affect: (a) part number identification, (b) physical or functional interchangeability, (c) repair and overhaul procedures, (d) reliability, (e) safety and (f) RoHS compliance. Copies of the revised drawings shall be forwarded to Stillwater Technologies. Stillwater Technologies and Purchasing Authority shall approve the change prior to implementation.

### 23. DESIGN AND PROCESS CHANGE NOTIFICATION

When the Supplier is manufacturing to Stillwater Technologies design, no departure from the process, drawing and/or specification shall be made unless specifically authorized by the purchase contract. In the event the Supplier intends to make any process change or move manufacturing, processing or testing functions to a subcontractor or a new subcontractor, the Supplier will submit a transition plan and new subcontractor details to Stillwater Technologies for concurrence. Stillwater Technologies reserves the right to approve both the subcontractor and the transition plan.

### 24. MATERIAL REVIEW BOARD RESTRICTIONS

The Supplier may *rework* nonconforming material (additional processing of material in order to make the material compliant with material / product specification and/or drawing) processed for this purchase order. However, the Supplier shall not *repair* or use as-is nonconforming material without prior written authorization from Stillwater Technologies. These conditions apply only to material purchased by the Supplier; they do not apply to material consigned to the Supplier by Stillwater Technologies. Consigned materials are addressed by direct interactions between Stillwater Technologies and the Supplier. The definition of rework and repair are as follows:

- Rework The act of processing nonconforming articles, through the use of original or alternate equivalent processing, in a manner that *assures conformance* of the article with applicable drawings or specifications. Examples: Stripping and repainting product that did not meet drawings or specifications. Adding welds or machining holes in accordance with revision change of drawings or specifications.
- Repair The act of restoring the *functional capability* of a nonconforming article. In common usage, repair may restore article to compliance with the applicable drawing or specification. In stringent (military) usage, rework is in compliance whereas repair restores functionality without being in compliance. Examples: Plug welding an extra hole, installing a bushing liner sleeve to repair an oversize bore, installing a keensert or helicoil insert to repair a damaged threaded hole.

The Supplier may request waiver or deviation of drawing and specification requirements from Stillwater Technologies Purchasing and/ or Quality authority. Supplier shall submit written deviation request via email [stillwaterpurchasing@stlwr.com](mailto:stillwaterpurchasing@stlwr.com), or Stillwater Form STI-026, *Stillwater Supplier Request for Deviation*.

### 25. CORRECTIVE ACTION

Supplier shall respond in writing to a request for corrective action made by the buyer. Corrective action shall be extended to all lower tier Suppliers. All articles rejected by the buyer and subsequently resubmitted by the Supplier to the buyer shall bear adequate identification of such resubmission either on the articles themselves or on the Supplier's shipping document (POQR# 6). Reference shall be made to the buyer's rejection document and evidence given that the causes for rejection have been corrected.

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### 26. SUPPLIER MANAGEMENT OF STILLWATER TECHNOLOGIES PRODUCT DATA RECORDS

Supplier records shall be correctly indexed, legible and stored in a manner permitting easy access, retrieval and protection. Records shall be maintained in a manner that prevents damage or deterioration during the retention period. Retention period for product data for Stillwater Technologies products is a minimum of seven (7) years or as defined by contract. Suppliers shall have a documented system for records management and retention in accordance with their internal Quality Management System as well as any customer contractual flow down requirements. This shall include, but not be limited to, the following:

- Records management and retention requirements definition in quality management system
- Procedures, processes and systems used for records management and retention.
- Supplier retention period for records retention.
- Process followed when Stillwater's record retention period exceeds Supplier's internal QMS retention requirements.
- Method of records retention (electronic, stored hard copy on-site/ off-site).

### 27. SPECIAL PROCESSING

Special processing is defined as the manufacturing step or process where the end item or result cannot be physically or visually inspected post processing. Any special processing step(s) must be identified on the Certificate of Compliance (POQR# 3). Stillwater Technologies and Stillwater Technologies customer have the right of entry to the subcontractor facilities in order to assess the special process(s) being used to manufacture the end item and to verify the quality of work and material (POQR# 18). The supplier shall provide C of C that contains the name, specification, number, type, and class of the material or process specified in the appropriate specification/ drawing.

Special processes being performed are subject to:

- (a) The requirements being clearly specified for any special process operation, including associated equipment and.
- (b) The special process(s) being qualified prior to use.
- (c) The Supplier controlling all applicable aspects of special processes, as defined by the process specifications, including special process changes.
- (d) The Supplier defining the significant operations and parameters in the process to be controlled during production.
- (e) Records of qualified processes, equipment and personnel, as appropriate, shall be retained per Stillwater retention period defined in POQR# 26.

### 28. USE OF BROKERS FOR PURCHASE OF COMPONENTS

No components shall be purchased through or from brokers without written approval from the Stillwater Technologies Purchasing Representative unless otherwise specified in the Purchase Order

### 29. FOREIGN OBJECT DEBRIS (FOD) / FOREIGN OBJECT ELIMINATION (FOE)

Suppliers involved in the manufacturing and material handling of Stillwater products shall have a FOD/FOE program in place that includes a minimum of the following elements: FOD Awareness/ Training, Parts Protection/ Material Handling (POQR# 11), General Housekeeping, and FOD Reporting and Investigation. This shall be clearly identified in the Supplier process documentation and training records.

### 30. SUPPLIER FLOWDOWN REQUIREMENTS

The Supplier shall not outsource work from their facility to a subtier without written approval from the Stillwater Technologies Purchasing Representative unless otherwise specified in this Purchase Order. These Purchase Order Quality Requirements shall be flowed down to the sub tier.

### 31. SHELF LIFE/ HAZARDOUS MATERIAL

Materials with a limited shelf life shall be supplied with an effective date of manufacture and date of expiration, and must have, at time of receipt at Stillwater, have a minimum of 75% of shelf life remaining. Supplier shall provide an SDS with every shipment (POQR# 7).