Purchasing Order Terms & Quality Clauses

Suppliers have a Quality goal of 90% and Delivery goal of 85% or better

#	Requirement
HQ1	**CERTIFICATION OF COMPLIANCE ACCORDANCE WITH AS9163** Supplier shall provide a certification, signed by an authorized company management representative that addresses compliance with the Customer's drawing & drawing revision, workmanship standard(s), revision(s), & compliance to the Hansen Engineering purchase order, material certification with actual chemical & physical test reports from the lot represented per the specification indicated, & shall not supply material for which they are not certificated or approved. A certificate of conformance is required with each delivery lot/quantity.
HQ2	**RETENTION OF QUALITY RECORDS** Supplier is required to maintain documentation pertaining to this order for a minimum of ten (10) years after delivery, unless otherwise directed by the Purchase Order. After 10-year retention time, supplier is to contact/notify Hansen Engineering prior to disposition for approval. Hansen has the right to request all documents in lieu of destruction. Supplier must contact Hansen for any provided documents to be destroyed. FAI are to be retained for Calendar year + 10 years after last shipment. Documentation must be remained on file & available for review by Hansen Engineering, our customer and/or a designated representative or responsible regulator agency for the specified period of time.
HQ3	**QUALITY SYSTEM REQUIREMENTS** Supplier & its subcontractor(s) shall, in the performance of this Purchase Order, provide & maintain a quality system that is in conformance with ISO 9001, ISO 13485, AS9100, or the equivalent. Supplier must maintain a Quality & Calibration system as previously approved by Hansen Engineering or Aerospace Primes. Supplier must notify Hansen Engineering if approvals lapse or change prior to performing this contract.
HQ4	**NOTIFICATION OF NONCONFORMING PRODUCT** Supplier is required to notify Hansen Engineering in the event that nonconforming product, which can't be reworked to specification, is produced. Supplier is to obtain Hansen Engineering approval of nonconforming product dispositions. Unapproved repairs or non-conformances that are shipped to Hansen Engineering will be subject to rejection upon detection regardless of the levels of consumption within Hansen Engineering. If Hansen Engineering labor and/or materials are added prior to the detection & rejection, then the supplier &/or subcontractor agrees to reimburse Hansen Engineering for the full loss in value (i.e. the supplied material, component, or assembly; & added Hansen Engineering WIP labor as well as the added higher level material consumed during the WIP process which occurred prior to detection of the repair).
HQ5	**TRACEABILITY** Supplier is required to identify each lot with a unique code number for each heat lot number of raw material and/or each batch of items processed together but separately from the total quantity of the order (i.e. - Heat treatment batches, plating batches, etc.)
HQ6	**APPROVED SOURCES** All special processes must be performed by sources approved by Hansen Engineering. This includes, but is not limited to, the following: Surface treatments including plating, painting & cleaning, Nondestructive Testing or Welding. NOTE: Use of non-approved sources may result in rejection & return of material.
HQ7	**RIGHT OF ENTRY** The Supplier shall allow Hansen Engineering, our customer and/or a designated representative or responsible regulator agency, access to any location, including sub-tier suppliers, where operations pursuant to a Hansen Engineering purchase order are being executed or where there are records stored applicable to product processed for Hansen Engineering Inc.

HQ8	**FLOWDOWN REQUIREMENTS** Supplier must pass on to their sub-tier suppliers all applicable Quality Terms & Conditions as well as any pertaining corrective actions requests, quality alert and/or nonconformance information.
HQ9	**PACKAGING** Supplier shall package product for shipment in keeping with good commercial practice, unless otherwise instructed by Purchase Order requirements. Packaging shall be adequate to preclude damage, loss, or corrosion of product shipped. Supplier shall identify the outer container or pallet with the applicable PO#, Part # & Lot #. Shipper/pack slip are to be included with the order.
HQ10	**PRODUCT AND/OR PROCESS CHANGES** The Supplier is required to notify Hansen Engineering of any product or process changes which include but not limited to: sub-tier supplier, manufacturing location, substitute components or a change in processing that may have an effect on Hansen Engineering's product quality. Suppliers must obtain Hansen Engineering approval prior to implementation changes. Hansen holds the final approval of all sub-tier products and services per customer requirements, unless otherwise specified on purchase-order.
HQ11	**COUNTERFEIT PRODUCT / MATERIAL** Suppliers shall assure that all products provided to Hansen Engineering are genuine and no counterfeit product shall be used or shipped. Supplier shall notify Hansen Engineering immediately if Supplier suspects or is aware they have furnished counterfeit goods and promptly replace the counterfeit parts with genuine parts. Supplying counterfeit goods to Hansen Engineering will hold the Supplier responsible for all costs associated with the replacement of said counterfeit parts.
HQ12	**MATERIAL SAFETY DATA SHEETS** Material Safety Data Sheets (MSDS) shall be supplied with shipments of any product that contains polymers, solvents, reducers, adhesives or other materials prone to outgassing volatile organic compounds (VOC's).
HQ13	**PERSONAL AWARNESS** Supplier is required to ensure that personal are aware of 1. Their contribution to product or service conformity 2. The importance of ethical behavior. 3. Their contribution to product safety 4. Their competence in performing process, products, and service; this includes any required qualifications
HQ14	**EXPORT / ITAR REGULATIONS** Items, including any associated drawings or technical data, sent to the seller or to be delivered under this purchase order could be subject to U.S. Export Control laws and / or controlled by the U.S. International Traffic in Arms Regulations (ITAR) 22 CFR part 120-130. Items not specifically classified by Hansen on this purchase order as military items subject to ITAR control are assumed to be commercial items. Where seller maintains the design authority, Supplier agrees to notify Hansen if any deliverable under this purchase order is a Defense Article within the meaning of the International Traffic in Arms Regulations, 22 CFR 120-130 (ITAR). Unless otherwise specified by Supplier, Supplier warrants that no deliverable supplied under the contract is a Defense Article as defined by CFR 120.6.
HQ15	**FIRST ARTICLE INSPECTION REQUIRED** Submit a complete First Article Inspection Report (FAIR) AS9102 OR Net-Inspect to Hansen Engineering for inspection & approval prior to proceeding with any further processing &/or production. The FAIR shall include: a fully processed sample, a formal dimensional report, Complete certification, Signature/ initials /or stamp of qualified company representative performing the inspection & the date the inspection was performed. Items produced prior to Hansen's approval shall be completely at the risk of Supplier.

HQ17	**BOEING X31764 & D6-87282 (Flow-down to Supply Chain)** Supplier must comply to Boeing's X31764 requirements. Boeing X31764 documentation can viewed on Hansen Engineering's website @ www.hansenengineering.com **Note Hansen Engineering reviews Boeing X31764 requirements quarterly** Supplier is required to review the Boeing X31764 quarterly. (Ex. 1/15, 4/15, 7/15, & 10/15) In addition, Supplier shall comply with Boeing Document D6-87282, Supplier Quality Requirements, including all Work Transfer requirements defined in SQ03. Supplier shall not relocate, transfer, move, or otherwise change the manufacturing location, processing location, tooling location, or any part of the production process, whether temporary, permanent, internal, external, or involving any sub-tier, without prior written approval from Hansen Engineering and prior written approval from Boeing.
HQ18	**FOD PREVENTION PROGRAM (Flow-down to Supply Chain):** Supplier is required to establish and maintain a FOD prevention program in compliance with AS/EN/SJAC 9146 Foreign Object Damage (FOD) Prevention Program -- Requirements for Aviation, Space, and Defense Organizations. Aerospace standards such as AS9146 can be obtained from SAE International at http://standards.sae.org
HQ19	**ENGLISH LANGUAGE (Flow-down to Supply Chain):** Supplier shall make specified quality data and/or approved design data available in the English language.
HQ20	**APPLICATION OF ACCEPTANCE AUTHORITY MEDIA (AAM)** **a)** Supplier shall comply with the AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of the Acceptance Authority Media (AAM) requirements. **b)** Supplier shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System (QMS). **c)** Supplier shall, upon request, be able to demonstrate evidence of communication to its employees and to its supply chain; use of AAM must be considered as a personal warranty of compliance and conformity. **d)** Supplier shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The areas of focus of this assessment shall include but not limited to: • Authority Media Application Errors (i.e. Omission, Typos, Legibility, etc.) • Authority Media Application Untimely Use (i.e. Documentation is not completed as planned, "Stamp/Sign as you go", etc.) • Authority Media Application Misrepresentation (i.e., uncertified personnel, Falsification of documentation, Work not performed as planned, etc.) • Authority Media Application Training Deficiencies (i.e. Ethics, Culture awareness, Proper Use of authority media, etc.)
HQ21	**STATISTICAL PRODUCT ACCEPTANCE (Flow-down to Supply Chain):** Supplier shall conduct 100% Inspection of all completed parts. OR Supplier shall comply with requirements of document AS9138 "Aerospace Series – Quality Management Systems Statistical Product Acceptance Requirements", as may be amended from time to time, whenever applying statistical sampling methods as a means to ensure product, article, or service conformance. Seller's statistical sampling procedure/plan must include the following to be compliant: • Minimum protection levels as defined within AS9138 Table A1 • C=0 criteria as defined within AS9138 Section 3.11 • Sampling restrictions as contained within AS9138, Section 4.3 Safety/Critical Characteristics, and • Sampling requirements and/or prohibitions contained within the approved part/product Design
HQ22	**PROPRIETARY INFORMATION** The information provided is proprietary. It is unlawful to use proprietary information, data, or tools for any purpose other than the performance of your contract with Hansen Engineering.

HQ23	**WORK TRANSFER (Flow-down to Supply Chain)** Work-Transfer' is defined as movement or re- location of work to be performed, either by Hansen or Hansen's Supply Chain, from one facility to another, from Hansen to a supplier in Hansen's Supply Chain, from a supplier in Seller's Supply Chain to Seller, or from one supplier in Hansen's Supply Chain to another supplier in Hansen's Supply Chain (including to any affiliate of Seller). Supplier will not and will ensure supply chain will not, Initiate a Work Transfer without Hansen's prior written approval. Supplier will complete and submit Boeing form X35781 "Supplier Initiated Work Transfer Notification" (including required implementation plans). Supplier acknowledges the Work-Transfer approval process. May take 120 M-days, depending on: (i) complexity of the Work-Transfer; (ii) Supplier's, including Supplier's Supply Chain, as applicable, cooperation and timeliness in the process; (iii) completeness of plan(s) and/or submittals; and (iv) regulatory notifications and approvals, if any. Supplier agrees the Work-Transfer process may not occur according to Supplier's schedule. Hansen reserves the right to deny a Work-Transfer.
HQ24	**MANUFACTURING PLANNING (Flow-down to Supply Chain)** "Controlled" or "Approved" planning requirements are derived from the part specific Engineering requirements. Planning changes to "controlled" or "approved" planning requires compliance with the associated process prior to implementing proposed changes within seller's production system and commencing manufacture. Hansen shall submit manufacturing planning changes to Boeing in accordance with the requirements described within the associated process for approval/re-approval. Boeing engineering qualification/approvals include material & process approvals and quality engineering approvals (but not limited to): • Manufacturing plans (e.g. **D6-1276**, **D6-17781**, **BSS7085, DPS 4.804, DPS 4.712, DPS 4.813, DPS 4.814**) • Part Qualifications (e.g. **BSS7029**, **BSS7082, BSS7119**) • Process Control (e.g. **D6-36232**) • Boeing Level 3 Approvals (e.g. **BAC5980**) • Statistical Sampling Plans (e.g. **BSS7286**)
HQ25	**FIRST ARTICLE INSPECTION / BOEING FIRST ARTICLE REQUIREMENT (Flow-down to Supply Chain)** The Supplier must perform FAIs in accordance with AS/EN/SJAC 9102 ("Aerospace First Article Inspection Requirements"). Boeing reserves the right to conduct oversight and/or verification of the supplier's FAI (commonly known as a BFAI). For FAIs completed on or after January 1, 2024, the Supplier must electronically fill out and complete Forms 1, 2, and 3 utilizing Net-Inspect and make those forms available to Boeing. The Supplier must also submit FAIs within the Net-Inspect software, designating Boeing Commercial Airplanes as the "customer." For FAIs completed by the Supplier's Supply Chain on or after January 1, 2024, the Supplier or its Supply Chain must fill out and complete Forms 1, 2, and 3 utilizing Net-Inspect and make those forms available to Boeing. The Supplier or its Supply Chain must also submit FAIs within the Net-Inspect software. The Supplier and its Supply Chain are not permitted to ship product to Boeing until all applicable FAI requirements have been completed. Hansen reserves the right to conduct surveillance of the Supplier's FAI, referred to as Boeing First Article Inspection (BFAI). BFAI may include in-process inspections to be accomplished during performance of Supplier's FAI. When a BFAI is required, Hansen will be notified via the Supplier Quality supplier data system. Supplier shall coordinate and schedule BFAI activity with Boeing's SQR prior to start of related procurement, manufacturing, and/or processing.
HQ26	**EXCESS INVENTORY (Flow-down to Supply Chain)** Supplier shall control all inventory of Boeing proprietary product that is in excess of contract quantity in order to prevent product from being sold or provided to any third party without prior written authorization from Hansen. Additionally, Supplier shall not provide Product from excess inventory that was previously rejected or returned by Hansen without prior written authorization from Hansen. When Supplier fulfills an order in support of this SBP with Product from excess inventory, for which Supplier was the original manufacturer, Supplier shall be able to demonstrate traceability to the original Boeing purchase document that authorized manufacture of the Product when requested by Boeing.
HQ27	**BOEING DOCUMENT D1-4426,"Approved Process Sources" (Flow-down to Supply Chain)** Supplier shall comply with Boeing document D1-4426 Appendix D "Approved Process Sources" (http://active.boeing.com/doingbiz/d14426/index.cfm). This document, subject to revision from time to time, defines the approved sources for special processing, composite raw materials, composite products, aircraft bearings, designated fasteners, and metallic raw materials. The Supplier's purchasing information shall conform to the

	purchasing data requirements of Boeing document D1- 4426 Appendix D. These purchasing data requirements can be found at: http://active.boeing.com/doingbiz/d14426/Appendix-D.pdf
HQ28	**BOEING DOCUMENT D6-51991 (Flow-down to Supply Chain)** "Quality Assurance Standard for Digital Product Definition (DPD) at Boeing Suppliers." When Type Design Digital Product Definition (DPD) data is utilized in manufacturing, inspection and sub-tier flow down of product definition, Supplier shall have a quality system to control Type Design DPD data to the extent necessary to fulfill program requirements. Supplier must obtain Boeing DPD capability approval.
HQ29	**FAA FORM 8130-9 "Statement of Conformity" (Flow-down to Supply Chain)** When Supplier is approved to complete FAA Form 8130-9 "Statement of Conformity" on Boeing's behalf, Supplier shall do so in accordance with Boeing document D6-83570 "8130-9 Conformity Inspection Requirements" and assigned FAA Form 8120-10 "Request for Conformity" instructions.
HQ30	**AS9117 DELEGATED PRODUCT RELEASE VERIFICATION (Flow-down to Supply Chain)** When Supplier delegates product verification, Supplier shall conform to the requirements of AS9117, "Delegated Product Release Verification," as may be amended from time to time. Hansen reserves the right to conduct surveillance at Supplier's facility to determine that Supplier's quality system conforms to the requirements of AS9117. AS9117 establishes minimum requirements for Supplier's delegation of product verification. When delegating product verification, Supplier is not relieved of its obligations under this contract. Aerospace standards such as AS9117 can be obtained from SAE International at: http://standards.sae.org
HQ31	**OPERATOR SELF-VERIFICATION PROGRAM (Flow-down to Supply Chain)** If Supplier uses an Operator Self- Verification (OSV) program, Supplier shall comply with the requirements set forth in SAE industry standard AS9162, "Aerospace Operator Self Verification Programs", as may be amended from time to time. Hansen reserves the right to conduct surveillance at Supplier's facility to determine that Supplier is compliant to the requirements of AS9162.
HQ32	**SUPPLIER NOTICE OF ESCAPEMENT (NoE): (Flow-down to Supply Chain)** When Supplier has found nonconforming condition on parts that have already shipped to Hansen, Supplier must submit a Notice of Escapement to Hansen of all sub-tier parts which have left the Supplier's production system with escaped nonconformances in accordance with the respective communication process set forth herein. See X31764 requirements, which can be accessed from Hansen Engineering's website @ www.hansenengineering.com. For Product(s) which have been delivered to or on behalf of Hansen and Supplier knows or suspects that such Product(s) are or may be nonconforming, Supplier shall, within 3 business days after the day of discovery of a potential escape, the notification from sub-tier supplier, and/or the entry of the issue into the quality process, notify Hansen in writing as set forth herein to allow Hansen to conduct a preliminary safety risk assessment. The minimum information required at this stage of the notice of investigation are: **a**. Affected process(es) or Product(s) part number(s) and name(s); **b**. Description of the nonconforming condition and the affected engineering requirement (i.e., what it is, what it should be and per what requirement). If the condition is a possible safety of flight issue, submit all available information immediately. This applies to new or initial instances of an escape or potential escape, escapes or potential escapes that were previously identified and isolated by Hansen but Supplier identifies additional units or a nonconformance cannot be inspected for the same nonconformance condition. This notification requirement is applicable to all Sellers, including Sellers with D-13709-4 Appendix C Escaped Product Disposition authority. **c.** Supplier shall reference the following documents for additional NOE instructions and requirements: a. The D6-84111 Document b. The D012Z026-01 Document (787 only); c. The T89 Purchase Order Note (if applicable, all programs); d. The D012Z028-01 Document (if applicable, 787 only)
HQ33	**PURCHASE ORDER REQUIREMENTS/INFORMATION** No deviations or substitutions from purchase order instructions without prior approval from Hansen Engineering. Suppliers shall communicate special requirements, critical items, or key characteristic requirements if noted on

	purchase order. Supplier may contact Purchasing Buyer for any additional information or concerns regarding purchase orders.
HQ34	**TEST VALIDATION** Suppliers shall provide test specimens for design approval, inspection/verification, investigation, or auditing. Requirements for test, inspection, and verification (including production process verification) are noted within applicable purchase orders. Hansen Engineering will note verification and validation activities that the organization, or its customer, intends to perform at the external providers premises within the purchase order.
HQ35	**REGULATORY APPROVALS (Flow-down to Supply Chain)** For aircraft regulated by Civil Aviation Authorities, regulatory approval may be required for Hansen to make direct sales (does not include "direct ship" sale through Boeing) of modification or replacement parts to owners/operators of type-certificated aircraft. Regulatory approval, such as FAA Parts Manufacturer Approval (PMA), is granted by Civil Aviation Authorities. Supplier agrees not to engage in any such direct sales of Products or Services under this Agreement without appropriate regulatory approval. For Hansen proprietary parts, Supplier agrees to notify Hansen of application for regulatory approval and the subsequent approval or denial of same. Upon receipt of proof of applicable regulatory approval, Hansen may be in the illustrated parts catalog as seller of that part. Unless explicit contractual direction is given to the contrary, no articles (or constituent parts thereof) ordered by Boeing Commercial Airplane Co. purchased under this agreement shall contain any Federal Aviation Administration- Parts Manufacturer Approval (FAA-PMA) markings and the accompanying paperwork (e.g., packages, shippers, etc.) shall not contain any FAA-PMA markings.
HQ36	**OZONE DEPLETING SUBSTANCES** Suppliers are required to label shipping containers that contain and class 1 or class 2 ozone depleting substances per EPS 40 CFR Part 82. Label in accordance with 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E.
HQ37	**CLAD ALUMINUM EXTERIOR AIRCRAFT SKINS (Flow-down to Supply Chain)** Effective January 1, 2017, all suppliers providing clad aluminum exterior aircraft skins per Boeing document D6-9002, “Appearance Control of Clad Aluminum Exterior Skins” shall inspect the skins per D6-85354, “Skin Quality Inspection of Clad Aluminum Exterior Skins”.
HQ38	**DESIGN AND DEVELOPMENTAL CONTROL** Hansen is a build to print organization and does not support design and developmental control.
HQ39	**ANTI-HUMAN TRAFFICKING POLICY** It is the supplier’s responsibility to ensure that they have Anti-Human Trafficking Policy and all its sub-tier suppliers. Human trafficking, believed to be the third-largest criminal activity in the world, is a form of human slavery that must addressed at the interagency level. Human trafficking includes forced labor, domestic servitude, and commercial sex trafficking. It involves both United States Citizens and Foreigners alike and has no demographic restrictions.
HQ40	**CONFLICT MATERAILS & REACH/RoHS COMPLIANCE** If raw materials, parts or assemblies contain Substances of Very High Concern (SVHCs) as prescribed by EU directive EC No. 1907/2006, Registration, Evaluation and Authorization of Chemicals (REACH), identifications shall be included with the shipment. This identification should list the SVHC-designated chemicals present in the purchased article and the conditions under which handling precautions should be taken. Products must comply with RoHS (Restriction of Hazadous Substances – Directive 211/65/EU. **Conflict Materials:** All materials provided shall be compliant with Section 1502 of the US Law knows as the “Dodd-Frank Act” when applicable. Supplier shall warrant the product supplied does not contain conflict minerals. **Mercury(HG) Exclusion** – Material supplied shall contain no functional mercury and shall not be contaminated by mercury or mercury compounds. Seller shall obtain approval from the Buyer before shipment if: (a) functional mercury is present. (b) mercury contamination is suspected, or (c) mercury is knowingly introduced in the manufacturing process RoHS compliant parts are considered compliant to this requirement.
HQ41	**DFARS 252.225-7014 Preference for Domestic Materials** Raw metallic wrought stock (sheet, bar, etc.) used for the manufacture of parts must conform to DFARS 252.225-7009. Additionally, wrought aluminum and titanium must come from domestic US melt sources (no foreign mills allowed).