

American Precision Tool & Engineering, Inc.

Supplier Terms & Conditions / Purchase Order Flow-Down Requirements

QMS-TC-001 Rev. B

Document Title	Supplier Terms & Conditions / Purchase Order Flow-Down Requirements	Document Number	QMS-TC-001
Revision	Rev. C	Effective Date	08/21/2026
Process Owner	Steve Derderian – President / Quality Manager	Approved By	Steve Derderian
Status	Active	Controlled Location	09_Supplier_Management/03_Supplier_Terms_and_Conditions
Purpose	Defines supplier purchase order flow-down terms and requirements.	AS9100D Reference	AS9100D 8.4 Control of Externally Provided Processes, Products, and Services; 8.4.3 Information for External Providers; 7.1.5 Monitoring and Measuring Resources; 8.1 Operational Planning and Control; 8.5.4 Preservation; 8.7 Nonconforming Outputs
Use	Attach/reference with supplier purchase orders as applicable.	Retention	Current + archive / purchasing records per QMS retention requirements

1. General Purchase Order Terms and Conditions

In addition to the requirements stated on each purchase order, suppliers shall comply with the applicable terms and conditions below according to the commodity, product, or service provided. Purchase order requirements take precedence when more specific requirements are stated.

Code	Requirement
QA 1	Machining suppliers shall furnish, as applicable, inspection reports, certificates of conformance, material certifications, processing certifications, and other purchase-order-required documentation for parts submitted to American Precision Tool & Engineering, Inc.
QA 2	When required by purchase order, documented First Article Inspection Reports (FAIRs) shall be submitted to APT Quality prior to production release. AS9102 forms shall be used when stipulated on the purchase order. The supplier assumes responsibility for costs associated with replacement, rework, or material when production begins without required first article approval.
QA 3	Any delay in shipment for any reason shall be communicated to APT as soon as the delay is known by the supplier.
QA 4	Any supplier-requested change to purchase order requirements shall be approved by APT in writing prior to implementation. Suppliers shall notify APT of changes in product or process, supplier changes, manufacturing facility location changes, and, where required, obtain APT approval.
QA 5	All information on the purchase order, drawings, specifications, customer data, and associated records shall be held in confidence by the supplier. No third-party disclosure is permitted unless authorized in writing by APT. When ITAR, export control, government-rated, or customer-restricted data is identified, applicable restrictions shall be followed before accepting the order.
QA 6	APT, APT customers, and regulatory authorities shall have right of access to applicable areas of facilities and applicable records at any level of the supply chain involved in the order. Supplier quality records shall be retained for a minimum of 10 years unless longer retention is required by APT or its customers. APT-controlled documented information requiring disposition shall be returned to APT for disposition.
QA 7	Manufacturing or machining suppliers shall maintain a quality management system appropriate to the product or service provided, such as AS9003, AS9100, or ISO 9001, unless a conditional exception is approved by APT based on supplier survey, supplier performance, or customer requirements.
QA 8	Suppliers shall obtain documented approval from APT prior to transferring work to a new facility or subcontracting work when not authorized by the purchase order.
QA 9	Suppliers shall maintain controls to prevent counterfeit, suspect, or unapproved parts, materials, and product from being delivered to APT. Controls shall include prevention, detection, reporting, and flow-down to sub-tier suppliers as applicable.
QA 10	Supplier disposition of nonconforming material affecting APT purchase order requirements shall not proceed without APT approval when supplier disposition authority is not specifically granted.
QA 11	Suppliers shall flow down applicable purchase order, drawing, specification, customer, key characteristic, special process, FOD, preservation, traceability, and quality requirements to sub-tier suppliers.
QA 12	Suppliers shall comply with applicable legal, regulatory, statutory, and customer requirements, including restrictions related to prohibited parties, export-controlled data, and government requirements when applicable.
QA 13	Suppliers shall ensure personnel are aware of their contribution to product conformity, product safety, and the importance of ethical behavior.

2. Commodity-Specific Flow-Down Requirements

Commodity / Code	Requirement
QA-14 Processing Suppliers	Processing suppliers shall furnish processing certifications per APT purchase order requirements and shall not process parts for which they are not approved, qualified, or certificated when approval/certification is required. Acceptable quality system requirements may include AC7004, ISO 9001, AS9100, Nadcap, or customer-required approval as applicable. Applicable requirements include QA-03, QA-04, QA-05, QA-06, QA-08, QA-09, QA-10, QA-11, QA-12, QA-13, and QA-18 when applicable.
QA-15 Material Suppliers	Material suppliers shall furnish material certifications per APT purchase order requirements and shall not provide uncertified or unapproved material when certification/approval is required. When required by purchase order, raw material shall be DFARS compliant. Acceptable quality system requirements may include ISO 9001, AS9100, or AS9120 unless conditionally approved by APT. Applicable requirements include QA-03, QA-04, QA-05, QA-06, QA-08, QA-09, QA-10, QA-11, QA-12, QA-13, and QA-18 when applicable.
QA-16 Machining / Manufacturing Suppliers	For Machining and Manufacturing suppliers, QA-01 through QA-13 are applicable as required by the Purchase Order. QA-18 is applicable when the Purchase Order involves FCI, CUI, CDI, controlled technical information, or other protected government information.
QA-17 Calibration / Testing Suppliers	Calibration and testing suppliers shall furnish calibration/test reports traceable to the specific equipment or item calibrated/tested. Traceability to NIST or other recognized national/international standards shall be supplied. Applicable quality system requirements may include ISO 9001, ISO/IEC 17025, ANSI/NCSS Z540, Nadcap testing, NVLAP, or customer-required accreditation. Applicable requirements include QA-03, QA-04, QA-05, QA-06, QA-08, QA-09, QA-10, QA-11, QA-12, QA-13, and QA-18 when applicable.
QA-18 Cybersecurity / CUI / CDI Requirements	When an American Precision Tool & Engineering, Inc. Purchase Order involves Federal Contract Information (FCI), Controlled Unclassified Information (CUI), Covered Defense Information (CDI), controlled technical information, or other information subject to U.S. Government cybersecurity requirements, the supplier shall comply with all cybersecurity and safeguarding requirements identified on the Purchase Order or otherwise flowed down by American Precision Tool & Engineering, Inc. When applicable to the Purchase Order, the supplier shall comply with DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting, including applicable NIST SP 800-171 safeguarding requirements and cyber incident reporting obligations. The supplier shall flow applicable requirements to its sub-tier suppliers or subcontractors when their performance involves Covered Defense Information. When DFARS 252.204-7021, Contractor Compliance With the Cybersecurity Maturity Model Certification Level Requirements, is applicable to the Purchase Order, the supplier shall maintain the required CMMC status applicable to the information being processed, stored, or transmitted and shall flow applicable CMMC requirements to its sub-tier suppliers or subcontractors. Suppliers shall not provide American Precision Tool & Engineering, Inc.-controlled FCI, CUI, CDI, or controlled technical information to any sub-tier supplier, subcontractor, cloud service provider, or other third party unless authorized by American Precision Tool & Engineering, Inc. and all applicable safeguarding and contractual requirements have been satisfied. Any suspected or confirmed cyber incident involving American Precision Tool & Engineering, Inc.-provided CUI/CDI or other protected information shall be reported to American Precision Tool & Engineering, Inc. immediately and handled in accordance with all applicable contractual and regulatory reporting requirements.

3. Purchase Order Flow-Down Use

- Applicable QA clauses shall be flowed down on purchase orders, attachments, supplier communications, or by reference to this controlled document.
- Where customer, drawing, specification, ITAR/export, DFARS, special process, calibration, inspection, preservation, FOD, traceability, or certification requirements apply, those requirements shall be communicated to the supplier.
- Supplier acceptance of the purchase order constitutes acknowledgement of applicable purchase order requirements and referenced terms and conditions.

4. Revision History

Rev.	Date	Description of Change	Requested By	Approved By
B	07/07/2026	Rebuilt formatting for audit readiness as Supplier Terms & Conditions / Purchase Order Flow-Down Requirements. Clarified controlled header, AS9100D references, commodity sections, and purchase order flow-down use without changing the document number or revision level.	Steve Derderian	Steve Derderian

C	08/21/2026	Added QA-18 Cybersecurity / CUI / CDI flow-down requirements and updated commodity applicability references.	Steve Derderian	Steve Derderian
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