

Howmet Prime Operations

SUPPLEMENTAL PURCHASE ORDER REQUIREMENTS

ISSUE 20

October 6, 2004

This document contains buyer's supplemental purchase contract requirements identified on Howmet Prime's purchase order. Seller is responsible for satisfactory fulfillment of these requirements. If your organization is unable to meet any of these requirements, written notification must be made to the buyer identifying the requirement number, purchase contract number, and reason for noncompliance.

SCM callout herein refers to Howmet's Supplier Control Manual. Your organization is responsible for compliance to the latest revision level. The Supplier Control Manual can be found on the Howmet Internet website at: http://www.alcoa.com/howmet/en/info_page/scm_documents.asp.

SUPPLEMENTAL PURCHASE ORDER REQUIREMENTS

01. **Casting Manufacturer Standard Requirements – The following Purchase Order Standard Requirements apply: 004, 006, 007, 009, 010, 013, 014, 017, 018, 038, 040, 041, 042, 045, 047.**
02. **Post-cast Manufacturer Standard Requirements - The following Purchase Order Standard Requirements apply: 004, 006, 007, 009, 010, 012, 013, 014, 015, 016, 017, 018, 021, 040, 041, 042, 045, 046, 047.**
03. **Seller’s material Certificate of Analysis is required with each lot/shipment of material per SCM 104, latest revision.**
04. **Seller’s Certificate of Compliance (COC) is required with each shipment. COC shall include the following information as a minimum:**
 - **Supplier name, address, and telephone number**
 - **Howmet Prime purchase order number and line item**
 - **Part Number**
 - **Traceability (i.e. serial numbers, heat numbers, lot numbers, etc.)**
 - **Part Name / Description**
 - **Quantity**
 - **Date**
 - **Controlling technical specification and revision level**
 - **Statement confirming compliance to purchase order requirements**
 - **Signature and/or stamp of person authorized to release product**

Fax copy of signed seller COC to Howmet Prime’s designated quality representative prior to shipment for approval and ship authorization.
05. **Buyer’s Certificates of Compliance (COC) is required with each shipment. If seller’s organization is approved for self-release, seller’s DSQR shall stamp COC. If seller’s organization is not approved for self-release, buyer’s DSQR or third part designee will stamp COC. Fax copy of stamped buyer COC to HPO upon shipment. Insure that all process certifications and documentation from other suppliers received with incoming shipment are included in seller’s shipment.**
06. **Quality control, manufacturing process, and inspection plans per SCM 504, Appendix B, latest revision, must be submitted to and approved by Howmet Prime prior to initiating operations on production components.**
07. **Order acceptance/acknowledgment of this purchase order presumes your organization is in possession of the latest revisions of all technical drawing and specifications at time of order. Seller is responsible for working to the latest revisions of the process specifications required by the drawing. If for any reason you do not have these documents, please contact the buyer to receive copy.**

SUPPLEMENTAL PURCHASE ORDER REQUIREMENTS

08. **Distributor Quality System Requirements apply per SCM 502, latest revision.**
09. **Supplier Quality System Requirements apply per SCM 501, latest revision.**
010. **Special processes (i.e. nondestructive testing, coating, EDM, ECM, welding or shot-peening) must be approved by buyer and must maintain full approved status during this purchase contract.**
011. **Calibration and certification of consigned tooling, metrology equipment and instruments must be accomplished according to the requirements of SCM 503, latest revision.**
012. **Seller's scrap allowance percentage is defined on purchase contract. If seller generated scrap exceeds this percentage, seller is liable for all costs incurred by buyer including but not limited to material and all associated added value costs on the part up to seller's operation. All scrap must be reported on Howmet Prime Operation's (HPO) *Supplier Discrepancy Action Request (SDAR)* form and submitted to buyer within 30 days of incident or seller will be charged for inventory. Parts dispositioned as scrap shall be returned to buyer with copy of dispositioned SDAR included with shipment. SDAR form can be found in SCM 508.**
013. **Product non-conformances must be reported on Howmet Prime Operation's (HPO) *Supplier Discrepancy Action Request (SDAR)* form (unless otherwise authorized) and submitted to buyer within 30 days of occurrence or material will be deemed as scrap and charged back to supplier at the full value, if applicable. SDAR form can be found in SCM 508.**
014. **Manufacturing process traceability must be maintained for all operations performed at your facility or your subcontractor's facility, as applicable.**
015. **Components used for process verification, optimization, or testing evaluation must first be authorized by the buyer prior to proceeding. If trial components are necessary to accomplish any of these or other tasks, written approval of buyer is required.**
016. **Equipment and coolants to be used must be free of contaminants that may be deleterious to superalloy or titanium materials. Coolants, new and in machine coolant delivery systems, must meet the trace element requirements of Howmet Specification PM 144, issue 1.**

SUPPLEMENTAL PURCHASE ORDER REQUIREMENTS

017. **No changes or substitutions to operations/methods/process are allowed once approved by buyer. All changes must be submitted as a delta to seller's current approved FAI and must be approved by buyer prior to incorporation.**
018. **Subcontracting of any operations to any external sources other than those specified or previously approved by purchaser is not allowed.**
019. **Engineering Source/Process Approval per SCM 504, latest revision, is required of your process. Lab approvals, first article component / first article report, quality inspection plans, and manufacturing process plans must be submitted to and approved by the buyer prior to shipment of production hardware from your facility.**
020. **The first article component must be produced by the same manufacturing method/process employed for the manufacture of subsequent production components/material.**
021. **Traceability of product and services shall be maintained to the original shipping documents received with the Howmet Corporation consigned components must be maintained and presented at the time the completed components are presented for source inspection and must accompany the shipment to the purchasers designated destination.**
022. **On-site source inspection is required for this order to be performed by buyer's quality personnel, or third party source delegate. Contact buyer to schedule inspection.**
023. **Material must be properly packaged and transported in returnable containers, drums, etc. Packaging may not be substituted unless first authorized by the purchaser.**
024. **Hazardous material safety data sheets required with the first shipment of each calendar year.**
025. **During performance on this order, your quality control or inspection system and manufacturing processes are subject to review, verification, and analysis by an authorized Government representative. Government inspection or release of product prior to shipment is not required unless you are otherwise notified.**
026. **Government Inspection is required prior to shipment from your facility. Upon receipt of this order, promptly notify the Government representative who normally services your facility so that the appropriate planning for government inspection can be accomplished.**
027. **This is a rated order certified for national defense use, and you shall follow all the requirements of the *Defense Priorities and Allocation System Regulation* (15CFR700).**

SUPPLEMENTAL PURCHASE ORDER REQUIREMENTS

- 028. Upon receipt of this order, promptly furnish a copy to the Government representative who normally services your facility, 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.**
- 029. All contracts issued to your organization by Howmet Corporation, or subsequent revisions thereof which exceed \$25,000.00, where the country of origin is outside the United States or its territories, and possessions, your organization agrees to prepare and submit the Subcontract Report of Foreign Purchases on DD Form 2139 to the Office of Foreign Contracting, OASD (A) DP (FC), Department of Defense, The Pentagon, Washington D. C. 20310-3060 (Reference DOD FAR 252.225-7026).**
- 030. Howmet Corporation Logistics Services, La Porte, IN. shall be used for all ground transportation activities unless otherwise specified. All components must be packaged in the same container as when received from the purchaser, as applicable. If container shipping integrity has been compromised, packaging may be substituted providing component protection levels meets or exceeds the requirements of the original provided packaging.**
- 031. If your organization is not currently Honeywell Source Delegate approved, release of HPO product is subject to Product Audit (Source Inspection) at your facility by an authorized Honeywell agent. Your organization shall be debited for these services at the current Honeywell service rate. Your organization is required to contact HPO to arrange for Honeywell Product Source Inspection / release of each shipment of parts.**
- 032. Upon receipt of this purchase order, the Supplier shall forward an approved copy of the internal procedure defining the Honeywell "Source Delegate" requirements program and an approved copy of the "Honeywell Source Delegation Program Agreement".**
- 033. During execution of this purchase order, the supplier must maintain compliance to the current Honeywell SPOC Manual. The supplier is required to formally notify HPO of loss of Source Delegate Program eligibility within five working days.**
- 034. All HPO parts must be formally released for direct shipment to Honeywell by the Honeywell assigned / authorized Source Delegate Supplier Representative (SDSR). All parts must be inspected and sampled according to your Honeywell approved internal procedure defining the Honeywell "Source Delegate" requirements program. The accepted parts and the HPO "Certificate of Compliance" must be completed and "Stamped" utilizing the Honeywell "A" acceptance stamp supplied by HPO. The unauthorized use, loss, damage or theft of this stamp must be immediately reported to HPO.**

SUPPLEMENTAL PURCHASE ORDER REQUIREMENTS

035. If your organization has not yet attained Honeywell Supplier Self-Release Source Delegation, your organization is required to contact HPO Quality Assurance to arrange for source inspection by Honeywell Technology Solutions, Inc., HTSI. Your organization will be responsible for the costs of HTSI's source inspection services.
036. If Honeywell Source Delegate Program approval is not attained within the committed program time frame, source release authority shall be relinquished and your organization will be subject to Honeywell source release according to the aforementioned defined criteria.
037. For Honeywell contracted product, seller shall review "Superceding of Specification and Engineering Drawing Callout", document no. GPS1010-1AK.
038. Radiography film shall not be shipped with castings and shall be retained by your operation in accordance with the record retention requirements set forth in the Howmet Corporation Quality Assurance Manual, Volume I, Section 16.0, Quality Records.
039. The technical data provided by Howmet Prime Operations under this purchase order may be subject to ITAR (International Traffic in Arms Regulations) or EAR (Export Administration Regulations) export restrictions, including export license requirements for any foreign national employee(s), temporary hire, or consultant. As a supplier to Howmet Prime Operations your organization is responsible for obtaining all necessary ITAR or EAR export approvals and for maintaining compliance with all export control requirements.
040. Buyer owned tooling is to be used only for the benefit of this purchase order unless authorized by the buyer, and must be controlled and safeguarded in accordance with good industrial practices, for example, in line with the applicable sections found in ISO 9000/AS9100, control of customer property. Buyer shall have no liability to pay or reimburse seller for any tooling until delivery of acceptable goods or approved first article.

Upon notification from buyer of an approved inspection layout report or an approved initial sample, seller to provide with invoice a certified tool property list (on buyer's or buyer's customer's form) with the following information:

- Purchase Order Number and line item
- Part Number that tool is to be used for
- Tool Identification and/or Serial Number
- Government Identification Number (if applicable)
- Cost of tool
- Physical location of tool
- Name and signature of designated tool control administrator

SUPPLEMENTAL PURCHASE ORDER REQUIREMENTS

- 041. Receipt and payment will be made to seller's packing slip. Fax copy of seller packing slip to buyer's designated account administrator within 24 hrs of shipment.
- 042. Schedule requirements and changes will be maintained on separate document and communicated to seller through buyer's designated account administrator.
- 043. Supplier shall ensure compliance with the mandatory SPOCs called out in Honeywell Engines, Systems, & Services SPOC 002.
- 044. Proof of delivery to buyer's drop ship location is required by your facility. Fax copy of signed bill of lading to buyer's designated account administrator within 24 hr of shipment.
- 045. Howmet terms and conditions apply to buyer's purchase contract requirements. For latest revision see Howmet's internet site at:
http://www.alcoa.com/howmet/en/info_page/proc_terms.asp.
- 046. Seller is required to perform a physical inventory of buyer furnished material on a bi-annual basis, or as requested by the buyer. Buyer's designated account administrator will provide dates of the physical inventory. Reconciliation of any inventory discrepancies are the responsibility of the seller. Inventory data shall be dated and signed by seller and submitted on provided Howmet form.
- 047. Seller is liable for all cost incurred by buyer as result of a customer return related to an undocumented non-conformances produced by the seller.