

## QUALITY CLAUSES

**Product/Service Purchased**
**Quality Code**

<b>Raw Material</b>	QC01, QC02, QC04, QC05, QC06, QC07, QC15, QC17, QC20, QC21, QC22, QC23, QC24, QC25, QC26, QC27, QC29
<b>Hardware &amp; Other Materials</b>	QC01, QC02, QC04, QC05, QC06, QC07, QC09, QC13, QC15, QC16, QC17, QC21, QC22, QC23, QC24, QC25, QC26, QC27, QC28, QC29, QC31
<b>Special Processes (e.g. Heat Treat, Plating, Welding)</b>	QC01, QC02, QC03, QC05, QC06, QC07, QC10, QC11, QC13, QC15, QC17, QC21, QC22, QC24, QC25, QC26, QC27, QC29, QC30, QC31
<b>Other Outside Services</b>	QC01, QC02, QC05, QC06, QC07, QC08, QC09, QC10, QC12, QC13, QC15, QC16, QC17, QC19, QC21, QC22, QC24, QC25, QC26, QC27, QC31
<b>Calibration</b>	QC06, QC14, QC21

Quality Code	Title	Requirement
QC01	Quality System	Supplier shall establish and maintain a Quality System acceptable to Validyne Engineering, for the goods and/or services purchased under this purchase order. As a minimum, the supplier's Quality System must meet the requirements of ISO9001 or better.
QC02	AS9100 Compliant	The supplier is required to maintain a Quality System in compliance to AS9100. If facility is not certified to AS9100, buyer reserves the right to conduct surveillance at supplier's facility to make final determination that <u>Supplier's Quality System</u> meets the requirements, and/or supplier will be required to complete a Supplier Survey Questionnaire.
QC03	NADCAP Approval	Special processing NADCAP approval is required. The special process requirements will be listed on the actual purchase order.
QC04	Supplier Furnished Material	Supplier shall submit Chemical and Physical test reports in accordance with the latest material specifications and revision. Distributors must provide a certification verifying the materials traceability to the Mill test reports when supplied.
QC05	Sub-Contractor Flow Down	Supplier is required to flow down the requirements of this purchase order, including terms and conditions to the Supplier's subcontractors. Flow down of key characteristics is required when specified on the face of purchase order.
QC06	Record Retention and Disposition	As a minimum, the Supplier is to retain records for at least 10 years from the date of shipment under each applicable order for all products/part numbers unless otherwise specified in the order. In special circumstances, the purchase order will identify the actual required number of years that the records should be maintained. After the minimum retention period is achieved, suppliers may disposition the records as archive or destroy at their discretion.
QC07	Measuring & Test Equipment	The Supplier's equipment shall be calibrated in accordance with ANSI/NCLSL Z540-1 or ISO 10012-1 and traceable to NIST.
QC08	Validyne Engineering Furnished Property	Supplier is to return all furnished property to Validyne Engineering at the completion of the purchase order. Furnished property may include but not be limited to the following: drawings, mylars, process specification, tooling, fixtures, and excess raw material.
QC09	Parts Identification	The Supplier is to identify parts in accordance with purchase order requirements.
QC10	Nonconformance/Corrective Action	The Supplier is to notify Validyne Engineering of any Nonconformance prior to shipping product and obtain approval for disposition of any nonconforming product. In addition, the Supplier will maintain a system of handling non-conformances and corrective actions.
QC11	Special Processing Approval	The Supplier is to perform a special process on this purchase order. Special processing may include one of the following processes: heat-treating, stress relieving or Nondestructive testing. Validyne Engineering shall identify the specific process specification and the end user on the purchase order. The Supplier should maintain its special process approval with the end user. If the Supplier is not currently approved for the specified process, it is the Supplier's responsibility to notify Validyne Engineering immediately.
QC12	Dimensional Inspection Report	The Supplier is to document an actual dimensional inspection report and submit it to Validyne Engineering at the completion of the purchase order.

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QC13	First Article Inspection	The Supplier to submit a First Article per AS9102 with this purchase order. It should identify all of the process specifications and dimensional data.
QC14	Calibration Vendor	The calibration vendor shall be accredited to ISO17025. All measuring and test equipment shall be calibrated in accordance with ANSI/NCLSL Z540.3 and traceable to NIST.
QC15	Packaging Protection	Supplier to package parts in a manner that will protect parts from any kind of damage. No metal to metal contact is ever allowed. In special circumstances, the purchase order may specify the manner the parts are to be packaged.
QC16	Part Number Serialization	All parts should have unique serial numbers assigned. Supplier is to maintain tractability throughout the production stage.
QC17	Certificate of Conformance	A certification is required, stating that all of the products or services meet the contractual or purchase order requirements. The certificate must list the part number and all of the applicable process specifications, including up to date revision levels.
QC18	Not Used	
QC19	Key Characteristics Data Required	This purchase order deals with the drawing that identifies key characteristics. Both the Supplier and Validyne Engineering should have established a control plan prior to the placement of this purchase order.
QC20	BUY AMERICA ACT	Items procured under this purchase order must be compliant with DFAR 252.225-7000
QC21	Right of Entry	Validyne Engineering, our customers, and/or any applicable regulatory authority reserve the right to access the supplier's applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records. Reason for access may include inspection of the item on order, status of the item, or reviewing quality records pertaining to the purchase order in question.
QC22	QMS Awareness	Vendors Personnel must be made aware of: <ul style="list-style-type: none"> <li>• their contribution to product or service conformity;</li> <li>• their contribution to product safety;</li> <li>• the importance of ethical behavior.</li> </ul>
QC23	Counterfeit Prevention	Vendor must have a process in place to detect and prevent the use of counterfeit parts/materials. The holder of the Validyne Engineering Purchase Order must be the Original Equipment (Component) Manufacturer (OEM) of the product or the OEM's Authorized Distributor with traceability to the OEM. Authorized distributors shall provide certification to OEM approved distribution. Or provide evidence of certification, or approval from the appropriate OEM of the product supplied to Validyne Engineering. If documentation demonstrating an unbroken chain of custody from these authorized manufacturers or distributors can not be provided at the time of delivery, then the vendor (holder of the Validyne Engineering PO) must comply with SOP-018 Supplier Counterfeit Prevention Program Requirements (available upon request).
QC24	Control & Monitoring Requirements	Vendor must maintain a Quality Level $\geq 95\%$ and an OTD level $\geq 85\%$ . If levels drop below target, supplier will be notified and may be placed on conditional status or disapproved if not corrected
QC25	Change Notification	Supplier is to notify Validyne Engineering of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval.
QC26	Acceptance Authority Media	Media such as inspection stamps and electronic signatures used for product acceptance/inspection must be controlled and traceable to the personnel they are issued to.
QC27	Verification on Supplier's Premises	Verification of product on supplier premises by Validyne Engineering or its customers, does not remove the obligation to provide conforming products and shall not be used as the organizations evidence of conformity.
QC28	Shelf Life Materials	The supplier provides the manufacturing date, shelf life, and expiration date for all limited shelf life items under this order. All items will have 75% or more of their shelf life remaining at the time of shipment to Validyne Engineering. All items are packaged, labeled and transported per their applicable regulatory requirements.

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QC29	Obsolescence	Supplier must provide notice at least 180 days prior of any products approaching obsolescence and allow final purchase before obsoleting any product.
QC30	ITAR/Export	The Code of Federal Regulations 22 CFR International Traffic in Arms Parts 120 thru 130 apply to all items on this order that meet the requirements of 22 CFR 120. When the Validyne Engineering Contract or Purchase Order defines that the product being purchased is for a military program or is being developed for a military program the supplier shall ensure they are in full compliance with ITAR requirements. The export, re-export, transfer of any documents to any other company, entity, person, or destination, or for any use or purpose other than that for which the documents were provided by Validyne Engineering, or our customer, is prohibited without prior written approval from Validyne Engineering, or our customer, and authorization under applicable export control laws. All documents are confidential and proprietary to Validyne Engineering or our customer.
QC31	FOD Prevention	The Organization shall maintain a FOD (Foreign Object Debris) program designed to prevent the introduction of contamination or FOD. This shall also address the introduction of FOD as wasteful packaging.

## Supplier Counterfeit Prevention Program Requirements

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### 1. Manufacturer's Counterfeit Prevention Program Requirements (Distributors see section 2):

- Guarantee of Material(s)/part(s) Source(s)

The seller shall ensure that only new and authentic material(s)/part(s) are used in shipments delivered to Validyne Engineering. The Seller may only purchase material(s)/part(s) directly from original manufacturers, manufacturer franchised distributors, authorized distributors or authorized aftermarket manufacturers. Use of material(s)/part(s) that was not provided by these sources is not authorized unless first approved in writing by Validyne Engineering. The seller must present compelling support for its request (e.g., original manufacturer documentation that authenticates traceability of the material(s)/part(s) to the original manufacturer) and include in its request all actions to ensure the material(s)/part(s) thus procured is authentic and conforming.

- Supply Chain Traceability

The seller shall maintain a method of commodity and item level traceability that ensures tracking of the supply chain back to the manufacturer of all material(s)/part(s) being delivered per this order. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the material(s)/part(s) for the seller and shall include the manufacturer's commodity or item level identification for the item(s) such as date codes, Lot codes, heat codes, serializations, unique item identifiers, or batch identifications.

- Certificate of Conformance and Traceability (U.S. Department of Defense Contracts)

This clause is applicable to all contracts for Qualified Products List (QPL) or Qualified Manufacturers List (QML)-controlled material(s)/part(s). This clause applies regardless of the point of Inspection designated in the contract award. This clause applies both to contracts awarded directly to a manufacturer listed on the applicable QPL/QML and to suppliers (e.g., distributors) not listed as approved manufacturers on the applicable QPL/QML. The material(s)/part(s) supplied must be in strict conformance to the requirements set forth and/or referenced in the item description, including applicable revisions and slash sheets. To ensure this conformance, the seller must provide a Certificate of Conformance and Traceability (CoC/T) with the information and documentation required by the applicable specification. This documentation must reference the contract number and include a certification signed by the approved QPL/QML manufacturer. In addition, if the material(s)/part(s) is not procured directly from the approved manufacturer, all additional documentation required by the specification must be provided to establish traceability from the QPL/QML manufacturer through delivery to the Government. The CoC/T is required to determine acceptability of the supplies. If the CoC/T is not provided, is incomplete or otherwise unacceptable, the supplies will be determined not to meet contract requirements and will be rejected. The seller shall mail one copy of the CoC/T to the Validyne Engineering upon shipment/delivery. The CoC/T must clearly reference the applicable contract number.

## Supplier Counterfeit Prevention Program Requirements

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### 2. Distributor's Counterfeit Prevention Program Requirements:

- Test and Inspection Requirements

The seller shall establish and implement test and inspection activities necessary to assure the authenticity and conformance of purchased material(s)/part(s), including:

- Traceability and documentation verification;
- Visual examination;
- Tests and inspections as applicable [see AS6147 and/or AS5553 for examples and descriptions of test and Inspection activities];

Tests and inspections shall be performed in accordance with clearly delineated accept/reject criteria provided to Validyne Engineering upon request. The seller shall prepare and provide to Validyne Engineering records evidencing tests and Inspections performed and conformance of the material(s)/part(s) to specified acceptance criteria. Tests and inspections should be performed by persons that have been trained and qualified concerning detection of the types and means of counterfeiting and how to conduct effective product authentication.

- Supply Chain Traceability

The seller shall maintain a method of commodity and item level traceability that ensures tracking of the supply chain back to the manufacturer of the material(s)/part(s) being delivered per this order. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the material(s)/part(s) for the seller, and shall include the manufacturer's commodity or item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or batch Identifications.

- Certificate of Conformance

The seller shall approve, retain, and provide copies of Certificates of Conformance (CoC).

Manufacturer CoCs shall, at minimum, include the following:

- a. Manufacturer name and address;
- b. Manufacturer and/or Validyne Engineering's part number and dash number, group number, or similar;
- c. Commodity or Item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or batch identifications;
- d. Signature or stamp with title of seller's authorized personnel signing the certificate.

## Supplier Counterfeit Prevention Program Requirements

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- Quality Management System

The seller shall have a quality management system that complies with AS9120 and/or AS9100, Quality Management Systems for Aerospace. Independent certification/registration is not required unless specified by Validyne Engineering.

Organizations that obtain certification/registration to AS9120 and/or AS9100 and subsequently change certification/registration bodies (CRB), lose registration status, or are put on notice of losing registration status, shall notify the Validyne Engineering within three days of receiving such notice from its CRB.

- Product Impoundment and Financial Responsibility

If any suspect/counterfeit material(s)/part(s) are furnished under this purchase agreement, such items shall be impounded. The seller shall promptly replace such items with items acceptable to the Validyne Engineering and the seller may be liable for all costs relating to impoundment, removal, and replacement. Validyne Engineering may turn such items over to Authority Having Jurisdiction for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation. Any known instances of fraud or attempted fraud shall be documented in writing to Validyne Engineering.

- Penalties Associated with Fraud

"This purchase order and activities hereunder are within the jurisdiction of the United States. Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under this purchase order may be punishable in accordance with applicable legal statutes.

Seller employees engaged in the performance of work under this purchase order shall be informed in writing prior to performance of work that there is a risk of criminal penalties associated with any falsification, concealment, or misrepresentation in connection with work performed under this purchase order.

NOTE: The recording of false, fictitious or fraudulent statements or entries on CofC/T's may be punishable as a crime under United States statute.

Seller shall include all provisions of this contract clause, including this sentence, in all lower tier contracts under this order. Any inability or unwillingness of a lower-tier supplier to comply with this provision should be documented in writing and submitted to Validyne Engineering.