



# U.S. Precision Sheet Metal, Inc

By accepting the Purchase Order, Seller acknowledges that the products and/or services provided are subject to all clauses listed.

| Supplier Purchase Order Quality Clauses |                                   |  | Clauses Application                             |
|---|-----------------------------------|--|---|
| Q1                                      | <b>Right of Entry</b>             | The buyer and buyer's customer, and their customers, or any applicable regulatory agency will have the right to enter the supplier's facility to perform inspection or ensure compliance to the contract.  | All Suppliers                                   |
| Q2                                      | <b>Record Retention</b>           | Supplier shall retain all records pertaining to material/manufacturing process special processes, test and inspection for a minimum of 20 years or as required by U.S Precision; changes to this requirement shall be addressed on the purchase order. Additional quality requirements may apply when referenced in the PO.  | All Suppliers                                   |
| Q3                                      | <b>Amendments</b>                 | Changes to the requested purchase orders, processes, or activities that can affect the outcome of the product are to be communicated with the organization.  | All Suppliers                                   |
| Q4                                      | <b>Nonconforming Product</b>      | <p>In the event that the product is identified as nonconforming after it has been shipped, the supplier shall provide notification of such escape. Additionally, the supplier shall control nonconforming products to prevent the product from leaving the facility, unless otherwise approved in writing.</p> <p>Notify the organization of any nonconformance related to the processes, product, or service and obtain approval for their disposition when it is determined that the customer product is affected and when processing customer property.</p> <p>If a purchase order is detected with a nonconformity, the parts will be returned to the supplier for rework; In the event that the purchase order is reworked at U.S. Precision, a credit memo will be generated for the amount of the rework</p> <p>If the nonconformity has more than 3 recurrences, a credit memo of \$150.00 dlls will be generated for each purchase order.</p> | All Suppliers                                   |
| Q5                                      | <b>Traceability</b>               | All parts / material and applicable documents must be identified by a purchase order number, manufacturing lot or batch number by the supplier.  | All Suppliers                                   |
| Q6                                      | <b>Quality Management System</b>  | Supplier is responsible for the compliance to the AS9100 and/or ISO 9001 and assure that the following have been properly addressed:<br><ul style="list-style-type: none"> <li>- Implementation of quality management system;</li> <li>- Use customer-designated or approved sources as appropriate.</li> </ul>  | Raw Material<br>Outside Processing<br>Test Labs |
| Q7                                      | <b>Changes</b>                    | Supplier shall notify the organization of changes in product and/or process, changes of suppliers, changes of manufacturing facility locations, and where required obtain organization approval.   | All Suppliers                                   |
| Q8                                      | <b>Flow Down</b>                  | Suppliers shall flow down the requirements listed on the purchase orders including customer requirements to their supply chain.  | All Suppliers                                   |
| Q9                                      | <b>Personnel Qualification</b>    | Personnel shall be qualified for specific processes.   | All Suppliers                                   |
| Q10                                     | <b>Certificate of Conformance</b> | Certificate of Conformance is required on ALL orders.  | All Suppliers                                   |



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| Q11                                     | Test Reports | When test reports are part of the process the supplier is responsible for performing all testing, records should be kept in file and provided to the organization. | Raw Material<br>Outside Processing<br>Test Labs |



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| Q12                                     | ITAR                   | The supplier has the responsibility to control drawings/engineering such orders and maintain documented information.  | Raw Material<br>Outside Processing<br>Test Labs |
| Q13                                     | DFAR                   | When DFAR orders are communicated to the supplier; the supplier has the responsibility to control such orders and maintain documented information.<br><br>DFAR-compliant material should exclusively be accepted from countries listed on the government-approved countries list. To access the comprehensive list of debarred countries, kindly refer to the provided link below.<br><br><a href="https://www.acquisition.gov/dfars/252.225-7002-qualifying-country-sources-assubcontractors">https://www.acquisition.gov/dfars/252.225-7002-qualifying-country-sources-assubcontractors</a> .   | All Suppliers                                   |
|   | DPAS                   | When DPAS rated orders are communicated to the supplier; the supplier has the responsibility to control such orders and maintain documented information.  | All Suppliers                                   |
| Q14                                     | Inspection             | The supplier is responsible for inspecting the product at 100%.   | Raw Material<br>Outside Processing              |
| Q15                                     | Monitoring of Supplier | U.S. Precision suppliers shall be measured against a Quality and Delivery.<br><br>Supplier Rating for Quality and Delivery<br>Goal 95%<br><br>The supplier may be requested to provide improvement plans and/or issued a corrective action if performance is below the required expectation.  | Raw Material<br>Outside Processing<br>Test Labs |
| Q16                                     | Counterfeit Prevention | COUNTERFEIT PREVENTION Electronic Components or any other type of product, where there is a potential for counterfeiting, should only be purchased from the Original Equipment Manufacturer (OEM) or a franchised distributor of the OEM. The Original Equipment Manufacturer (OEM) or a franchised distributor of the OEM, should provide, with the shipment a Certificate of Conformance, certifying that the component or material provided is the part number being procured on the Purchase Order. A Certificate of Conformance is used to establish traceability to the OEM. It is the responsibility of the supplier to assure that the proper certifications are available, to provide traceability to the OEM. | Raw Material<br>Outside Processing              |
| Q17                                     | Awareness              | Suppliers shall ensure persons performing work on U.S. Precision Manufacturing product are aware of:<br>- their contribution to product or service conformity<br>- their contribution to product safety<br>- the importance of ethical behavior   | All Suppliers                                   |
| Q18                                     | Delegation Authority   | Delegation for verification and approval of test report/chemical analysis content is applied to all suppliers of raw materials and services which generate such reports. Acceptance of this purchase order indicates acceptance of these responsibilities.  | Raw Material<br>Outside Processing<br>Test Labs |
| Q19                                     | Approval               | Suppliers shall obtain approval from U.S. Precision prior to the following:<br>- Change or substitution of any products and services;<br>- Changes in any methods; processes or equipment that would affect the output of the product;<br>- Release of product that does not meet the intended results.   | All Suppliers                                   |



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| Q21                                     | Interaction                              | Supplier is responsible for confirming that purchase orders have been received as well as to communicate in regards to the changes and status of all the products.   | All Suppliers                                   |
| Q22                                     | Verification or Validation of Activities | Supplier is responsible for accommodating the request for verification or validation activities that the organization or its customer, intends to perform at the supplier premises.  | Raw Material<br>Outside Processing<br>Test Labs |
| Q23                                     | Design and Development                   | Supplier is responsible for processing the product as per the issued drawings and purchase orders. In the event the supplier is responsible for the design process; any changes should be communicated with the organization in the event of potential impact to the product.  | Raw Material<br>Outside Processing              |
| Q24                                     | Special Requirements                     | In the event special requirements, critical items or key characteristics are included as part of the drawing and purchase order; the supplier is responsible to make sure that such requirements are properly controlled and documented information maintained.<br><br>As such it is the responsibility of the supplier to review the need for the use of the statistical techniques for product acceptance and related instructions for acceptance by the organization.   | Raw Material<br>Outside Processing              |
| Q25                                     | Test Specimens                           | The supplier may be requested to provide test specimens for further analysis and testing by the organization.  | Raw Material<br>Outside Processing              |
| Q26                                     | First Articles                           | If the part will be manufactured for first time or had a revision change, the supplier must provide a first article inspection report.<br><br>The AS9102 form shall be provided; otherwise the supplier may submit the First article using their own form.<br><br>Note-FAI is applicable to supplier manufacturing a product or parts.   | Raw Material<br>Outside Processing              |
| Q28                                     | Calibration                              | Calibration suppliers are required to calibrate the equipment in such a manner to assure traceability to NIST.   | Calibration                                     |
| Q29                                     | Fraud & Falsification                    | U.S. Precision Sheet Metal, Inc. performs work under contracts which are within the jurisdiction of departments of the United States Government. Some of the work performed under these contracts affects the national security of the United States and the requirements of these contracts are designed to ensure that essential attributes of the work are carefully checked or inspected and that records accurately reflect the results of all work. Any falsification, concealment or alteration of any material fact, or any false, fraudulent or fictitious statement or representation in connection with the work under any contract within the jurisdiction of the Government is not only prohibited by company policy, but may also be punishable under Federal Law. | All Suppliers                                   |
| <b>Notes</b>                            |  |  |   |
| <b>Definition</b>                       | <b>All Suppliers</b>                     | Raw material - Outside Processing - Test Labs - External Operations<br>Calibration - Consulting  |   |
|   | <b>Raw Materials</b>                     | Product that is being purchased to process the final product per the issued purchase order   |   |
|   | <b>Outside Processing</b>                | Heat Treating; Chemical Processing, Welding, Deburring, Machining, Assembly.   |   |
|   | <b>Test Labs</b>                         | Supplier used for testing of a product .   |   |



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