

Purchase Order Quality Clauses

Suppliers are requested to comply with all the following quality clauses. Additional clauses may be listed with the purchase order as determined by **Electron Beam Engineering, Inc. (EBE)** buyer and/or **EBE** customer. **It is the supplier's full responsibility to promptly notify EBE if at any time the clauses cannot be fully met.**

Q1	GENERAL QUALITY ASSURANCE REQUIREMENTS
Q1.1	<u>PROHIBITED PRACTICES</u>
Q1.1.1	UNAUTHORIZED REPAIRS: Seller may not repair by welding, brazing, plating, splicing, abrasion, or adhesives, items damaged or found to be faulty during manufacture, without Buyer's written approval.
Q1.1.2	CHANGE IN APPROVED DRAWINGS, PROCESSES, MATERIALS OR PROCEDURES: Seller shall not change any Drawing, Process, Material or Procedure without prior written approval by Buyer, if such drawing, process, material or procedure was originally approved by Buyer. Without written approval by Buyer, the Seller shall not change any process, materials or procedures from those used to qualify the items, or were used by the Seller to become a qualified source.
Q1.1.3	RE-SUBMITTAL OF REJECTED ITEMS: Items rejected by Buyer and subsequently resubmitted to Buyer shall be clearly identified on Seller's shipping document as RESUBMITTED ITEMS.
Q1.1.4	UNAUTHORIZED SUBMITTAL OF PRODUCTION: When the Procurement Document requires Buyer's acceptance of a "FIRST ARTICLE", Seller shall not submit items from a production run for Buyer's inspection prior to Buyer's acceptance of such "FIRST ARTICLE".
Q1.1.5	NOTIFICATION OF FACILITY CHANGE: Seller shall not use or relocate any production, manufacturing, test and/or processing facilities during performance of the work specified on the Procurement Document from those production, manufacturing, test or process facilities approved by Buyer, without promptly notifying Buyer and affording Buyer an opportunity to examine such facilities for compliance with Quality Assurance Requirements.
Q1.2	<u>RESPONSIBILITY FOR CONFORMANCE</u>
Q1.2.1	Neither surveillance inspection, and/or tests made by Buyer or his representative, at either Seller's or Buyer's facility, nor Seller's compliance with all applicable Quality Assurance requirements, shall relieve Seller of the responsibility to furnish items which conform to the requirements of the Procurement Document.

Q1.2.2	Seller shall control sub-tier procurements to the extent required to assure quality requirements are satisfied in Buyer's Procurement Documents. For example, Raw material must be purchased from approved sources only. Requirements may include but are not limited to the following: Supplier pre-award survey/evaluation, periodic auditing of suppliers, implementing a supplier rating system, assuring adequate review of Procurement Documentation prior to procurement, controlling procurement of critical items for Seller's product, inspection of procured items to documented procedures, and control of non-conforming materials including corrective action.
Q1.2.3	Seller shall comply with International Traffic in Arms Regulation (ITAR) §122.1, Registration requirements.
Q1.3	<u>BUYER SURVEYS, SURVEILLANCE, AUDITS, AND INSPECTION</u>
Q1.3.1	Buyer or his customer has the right to conduct surveys, audits and surveillance of Seller's facilities, or those of Seller's sub-contractors or suppliers, with prior coordination with Seller, to determine the capability to comply, and to verify continuing compliance with the requirements of the Procurement Document.
Q1.3.2	Buyer or his customer has the right to perform inspection at seller's facilities or those of the Seller's sub-contractors or suppliers, with prior coordination with the Seller, during the period of manufacture and inspection prior to shipment. Final Inspection and acceptance shall be performed at Buyer's facility, unless otherwise specified on the Procurement Document.
Q1.3.3	Buyer reserves the right to use C=0 sampling per ANSI/ASQC Z1.4 (latest Revision) or another ASQC equivalent sampling plan for acceptance or rejection of items.
Q1.3.4	Buyer reserves the right to reject product after acceptance due to latent defects, which cannot be tested or inspected for at the Buyer's facility.
Q1.4	<u>DOCUMENTATION</u>
Q1.4.1	Buyer may refuse to accept items, if Seller fails to submit certification, documentation, test and SPC data or reports specified by the Procurement Document. Documentation includes Buyer's Source Inspection reports when such source inspection is performed.
Q1.5	<u>CORRECTIVE ACTION REQUEST</u>
Q1.5.1	When a quality problem exists with Seller's item, Buyer may forward a Corrective Action Request to Seller. The Corrective Action Request requires timely responses and must include the following information: Analysis of the problem, statement of the action taken to prevent reoccurrence, and the effectivity of the action.
Q1.6	<u>MEASURING AND TEST EQUIPMENT</u>
Q1.6.1	Seller shall be responsible for validating the accuracy and stability of tools, gages, and test equipment used to demonstrate that items conform to the Procurement Document.

Q1.6.2	Documented schedules shall be maintained to provide for periodic calibration to adequate standards. Objective evidence of Calibrations shall be recorded and made available for the Buyer's review.
Q1.7	<u>NON-CONFORMING MATERIAL</u>
Q1.7.1	Unless otherwise specified by the Procurement Document, Decisions to accept a non-conformance (variances from Buyer's drawings and specifications), detected at Seller's facilities shall be made by Buyer. A Buyer Approved Supplier Deviation Request must accompany shipment of non-conforming items.
Q1.7.2	Seller shall provide for control, segregation and identification of non-conforming material detected at Seller's facilities.
Q1.8	<u>INSPECTION RECORDS</u>
Q1.8.1	Seller shall maintain records of all inspections and tests performed on items delivered to Buyer. These records shall identify non-conformances and are available for Buyer's review. This documentation must be maintained for a period of ten (10) years.
Q1.9	<u>SAMPLE INSPECTION</u>
Q1.9.1	The Seller, when tests are destructive, or when the records or inherent characteristics of the product indicate that a reduction in inspection/testing can be achieved without jeopardizing product quality, may use sample inspection plans. Sample inspection must be in accordance with the applicable Buyer's specification. When not specified by Buyer specification, ASQC -414 or their equivalent may be used. The Buyer, prior to their implementation, must approve other sample inspection plans. All sample inspection plans shall provide valid confidence in specified quality levels.
Q1.10	<u>CALIBRATION AND TEST FACILITIES</u>
Q1.10.1	Seller shall comply with ISO/IEC Guide 17025 requirements. The laboratory shall ensure and can demonstrate that it is competent to perform the activities in question and complies with the same criteria as the laboratory in respect of the work being sub-contracted. The sub-contracting Laboratory shall advise the Buyer in writing of its intention to sub-contract any portion of the testing to another party.
Q1.10.2	The Sub-contracting laboratory shall record and retain details of its investigation of the competence and compliance of its sub-contractors and maintain a register of all sub-contracting.
Q2	<u>INSPECTION SYSTEM REQUIREMENTS (MIL-STD-45208)</u>
Q2.1	Seller shall provide and maintain an inspection system which is in accordance with MIL-I-45208 or the ASQC Equivalent Inspection System Requirements as a minimum. EBE's quality system is ISO9001, AS9100, and ISO13485 registered and we are also Nadcap certified for Welding.

Q3	BUYER SOURCE INSPECTION
Q3.1	Inspection by Buyer must be performed at Seller's facility prior to shipment. Seller shall provide reasonable inspection facilities for Buyer to verify conformance to requirements. Buyer reserves the right to inspect at Seller's facility and at Seller's subcontractor those items not manufactured within Seller's facility. Seller shall notify the Buyer's Procurement Quality Organization no less than three (3) working days prior to the time that items are ready for Buyer's Source Inspection.
Q3.2	After Buyer's Source Inspection, has been performed, any rework or test of the item will void the source inspection. In case of any nonscheduled rework or test, Seller shall request Buyer to repeat Source Inspection.
Q4	CERTIFICATE OF COMPLIANCE
Q4.1	The Seller shall furnish a "Certificate of Compliance" with each shipment, equipment certification or test that assures full conformity with the Q.A. requirements, applicable drawings, revision levels, Engineering Changes, quantity of parts, and applicable specifications. It shall state that test reports and inspection records are on file at the seller or manufacturer's facility and are available for Buyer and Government review. An authorized representative of seller's quality department shall validate this certification. An example of an acceptable "Certificate of Compliance" is as follows: "This is to certify that all items noted above are in compliance with the purchase order, drawings, specifications and other applicable documentation, and that all required certifications, inspection and test records are on file and available for review by Buyer and/or the Government."
Q5	SPECIAL PROCESS CERTIFICATE OF COMPLIANCE
Q5.1	The Seller shall furnish copies of subcontracted processing certifications for such methods as welding, heat-treating, brazing, plating, passivating, electro polishing, penetrant inspection, etc. This certificate must include the quantity, part numbers, revision levels, Engineering changes, applicable specification number and revision level and be validated by an authorized representative of the subcontractor's quality organization.
Q6	PHYSICAL AND CHEMICAL ANALYSIS
Q6.1	The items or services being shipped or performed against this order require copies of actual chemical and physical test results showing actual readings taken, and conformance to applicable specifications. These documents must be identifiable to the items they represent and shall be included with each shipment. An authorized representative of the agency performing the tests must sign this documentation.
Q7	INSPECTION AND TEST DATA
Q7.1	A copy of inspection SPC and/or test data shall be supplied with each shipment identifiable to the lot number or date code of items supplied. An authorized representative of Seller's quality department shall validate this documentation
Q8	CALIBRATION SYSTEMS REQUIREMENTS

Q8.1	Seller shall provide and maintain a calibration program, which is in conformance with ANSI/NCSL-Z540-1 (latest Revision), "Calibration Systems Requirements" or the ASQC Equivalent.
Q9	RIGHT OF ENTRY
Q9.1	The supplier shall allow the supplier, customer, and regulatory agencies right of entry to any places necessary to determine and verify the quality of contracted work, records and materials
Q10	EEO STATEMENT REQUIREMENT
Q10.1	Seller hereby agrees to comply with Executive Order 11246, as amended, and its implementing regulations (including the Equal Opportunity clause set forth in Section 202 of such Order) and Section 60-1.4 (a) of the regulations of the Secretary of Labor, Title 41 CFR, Chapter 60 Parts 1-60, which are incorporated into this Purchase Order by reference. In addition, the Purchase Order incorporates by reference the Affirmative Action clauses of the Rehabilitation Act of 1973 at 41 CFR Section 60-741.1, and the Vietnam Era Veterans Readjustment Act of 1974 at CFR Section 60-2050.4, as amended.
Q11	COUNTERFEIT PREVENTION
Q11.1	Suppliers are required to insure that all products supplied to Electron Beam Engineering are manufactured in accordance with all specifications, standards, drawings, or purchase order requirements. Supplier shall also be responsible to ensure that all products are genuine in origin and are not counterfeit products. Supplier shall incorporate a system to prevent counterfeit products or materials from entering the product cycle. If the purchased items become the subject of a legal or counterfeit issue, the supplier must disclose the source of the product
Q12	SUPPLIER MONITORING
Q12.1	Supplies are monitored against a goal of 80% Quality and 80% delivery. Electron Beam Engineering can determine to flow down a corrective action request any time a supplier is below the goal. Suppliers may be subject to removal from Electron Beam Engineering's approved supplier list, if the supplier does not respond to the corrective action request in a timely manner.
Q13	AWARENESS
Q13.1	Suppliers shall ensure persons performing work on product intended for Electron Beam Engineering are aware of: - Their contribution to product or service conformity - Their contribution to product safety - The Importance of ethical behavior
Q14	SUPPLIER FLOWDOWN
Q14.1	Suppliers shall flow down the requirements listed on the purchase order, including Electron Beam Engineering's customer requirements, to their supply chain.



Revised: 02/06/2018

Page: 6 of 5

Approved By: Grant Trillwood