

SAFE PLATING. INC.

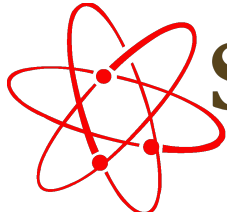
Precious Metal Plating Specialists

PURCHASE ORDER

QUALITY TERMS and CONDITIONS

Q1 – THE SUPPLIER SHALL IMPLEMENT AND MAINTAIN A QUALITY MANAGEMENT SYSTEM THAT COMPLIES WITH ISO 9001, AS9100 OR A QUALITY MANAGEMENT SYSTEM THAT:

- 1) Provides adequate inspection to verify that the product supplied is in full compliance with the purchase order requirements and all applicable specifications.
- 2) Maintains data required for a period of ten (10) years or as specified in the purchase order. Upon completion of all deliveries, the data shall be made available to Safe Plating upon request.
- 3) Supplier will provide assurance that the revision levels of the specifications as denoted on the purchase order are used in manufacture and inspection.
- 4) Tools and test equipment used to meet the above requirements shall be calibrated at established intervals against standards with calibration traceable to the National Institute of Standards & Technology (NIST) or an internationally recognized metrology lab/standard.
- 5) Safe Plating and its customers reserve the right to enter supplier's facility at any time during the manufacturing time related to the product on order for inspection/surveillance of processes, controls, and quality records. In the event of an inspections/surveillance, Safe Plating shall coordinate times with supplier. Such inspection/surveillance will not constitute acceptance of the supplies/services being procured.
- 6) Discrepant material that departs from the specified requirements of the order and were rework to the specifications is not practical, the material in question shall be identified as discrepant and withheld pending buyer's disposition.
- 7) When the supplier's operation is certified by a third-party organization, the supplier shall provide a copy of the certification to Safe Plating and shall keep Safe Plating up to date as the certification changes or is renewed.
- 8) Ensuring that persons are aware of:
 - a. Their contribution to product or service conformity.
 - b. Their contribution to product safety.
 - c. The importance of ethical behavior



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Q2-CERTIFICATE OF CONFORMANCE (C OF C)

Material supplied on this purchase order (each shipment) shall be accompanied by a C of C, (In English) which must include the following information as a minimum:

- 1) Original manufacturer's and/or distributor's (or Service Provider's) name and address.
- 2) Purchase order number.
- 3) Safe Plating part number, if purchased to a Safe Plating drawing, revision, and quantity.
- 4) Serial number(s) or date code(s) or lot/batch number(s) as applicable.
- 5) Authorized signature, title, and date.
- 6) Statement of conformance to all requirements.
- 7) MIL-SPEC certifications **MUST** be supplied when MIL-SPEC parts are ordered.
- 8) All mechanical parts, housings, trays, covers, clamps, etc., **MUST** have material and plating certificates accompanying each shipment.
- 9) Copies of all material, processing, testing, chemical and physical analysis certifications must accompany each shipment of parts as required by the blueprint or applicable specification.

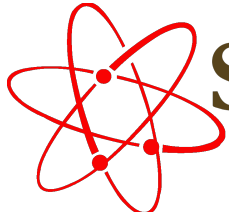
Q7-NO CHANGES WITHOUT APPROVAL

(DOES NOT APPLY TO COMMERCIAL OFF THE SHELF EQUIPMENT (COTS) OR CUSTOMER/GOVERNMENT FURNISHED EQUIPMENT (CFE/GFE))

All communication, technical guidance and instructions having contractual impact shall be accomplished directly between the buyer and the supplier's authorized representative. NO contact or specification deviations shall be made without the written authorization of the Safe Plating buyer. All communication must be in writing, and will then be noted on the Safe Plating Purchase Order. Examples of changes in the manufacturing or service of items that require communication to the buyer include, but are not limited to:

- 1) Plant Relocation
- 2) Material Change
- 3) Equipment Relocation
- 4) Design Change
- 5) New Equipment
- 6) Name/Cage Code Change
- 7) Drawing Conflict
- 8) Sub-Tier Supplier Change

It is the supplier's responsibility to fully comply with all the instructions listed on the Safe Plating Purchase Order. Lack of written approval shall not relieve the supplier of the responsibility to fully comply with all the requirements of the purchase order. The supplier shall not receive compensation in any form from Safe Plating for unauthorized activity.



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Q8-FIRST ARTICLE INSPECTION

Applicable on initial production by the supplier, a First Article Inspection (FAI) report is required for each dash number in accordance with AS9102. The inspection report shall indicate the actual measurement obtained for each characteristic listed on the drawing and Safe Plating instructions (when specified on the purchase order). When repetitive dimensions are inspected (i.e. holes of the same size, web thickness of the same size, etc.) record actual measurement individually, and specify locations. A new FAI is required when a part has not been in production for a period of one year or more. Delta FAI's are also required for all changes with regard to the current FAI configuration.

Q9-PRODUCT ACCEPTANCE

Safe Plating's acceptance of products or services does not preclude a subsequent rejection when a nonconforming condition is discovered at any time. This includes discovery by Safe Plating's customer(s).

Q11-TEST AND INSPECTION DATA

Test and Inspection data demonstrating conformance to the requirements as specified in the Safe Plating drawing or specification shall be generated by the supplier. A copy of the data shall accompany each shipment of material. All test and inspection data shall be maintained on file by the supplier, available for Safe Plating review, for a period of ten years after final shipment of material against this Purchase Order. The test and inspection data shall include:

- 1) Original Manufacturer's or testing facility name.
- 2) Safe Plating purchase order number.
- 3) Safe Plating part number and revision.
- 4) Test/Inspection results, conditions, and parameters.
- 5) Quantity of parts tested.
- 6) Serial number(s), lot/batch/heat number(s) or date code(s) as applicable.
- 7) Date of test/inspection.
- 8) Authorized agent's name and position, or acceptance stamp and date.

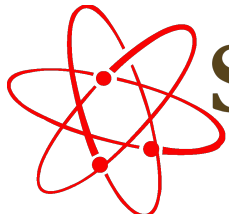
Q16-PRODUCT IDENTIFICATION

All delivered products shall be identified as required by the drawing or the applicable specification prior to release.

Q17-FOREIGN OBJECT DAMAGE (FOD) PREVENTION-QUALITY ASSURANCE

The Seller shall establish and maintain an effective Foreign Object Damage (FOD) Prevention Program to reduce FOD.

The Seller's program shall utilize effective FOD prevention practices. The program shall be proportional to the sensitivity of the design of the product(s) to FOD, as well as, to the FOD generation potential of the manufacturing methods.



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The written procedures or policies developed by the Seller shall be subject to the review and audit by the Buyer and/or government representative and disapproval when the Seller's procedures or policies do not accomplish their objectives.

Q18-100% INSPECTION

One hundred percent inspection of all characteristics is required. Use of sampling plans for inspection is prohibited without Safe Plating's prior approval.

Q21-PRODUCT TRACEABILITY

The supplier agrees to ensure that materials utilized in performance of this order, whether furnished by Safe Plating or by the supplier, will be segregated and controlled to ensure traceability and prevent them from being intermingled with any other materials.

Q23-SUPPLIER NON-CONFORMANCE PROCESS

The supplier shall implement a system for controlling nonconforming product:

- The supplier shall immediately identify and segregate such product to prevent unintended use.
- The supplier must report any nonconforming condition to the buyer and Safe Plating's Quality Assurance.
- The supplier must receive written disposition from Safe Plating prior to delivery.

Q24-DISCREPENT MATERIAL REPORTING

The supplier shall immediately report to Safe Plating any discrepancies that may affect product that has already been delivered, regardless of the date of discovery.

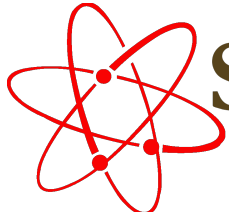
Q25-SUPPLIER CAR SYSTEM

The supplier shall implement a system of corrective action for discrepancies identified by the supplier, Safe Plating or Safe Plating's customers. When Safe Plating requests a written corrective action, the supplier shall document the root cause of the discrepancy, the immediate and permanent corrective actions taken and the effective date of the corrective action. Safe Plating reserves the right to audit the effectiveness of the stated corrective action at the supplier's facility.

Q26-COUNTERFEIT MATERIAL AVOIDANCE PROCESS REQUIREMENTS

Seller's Risk Mitigation Seller shall maintain a Counterfeit Item risk mitigation process internally.

Seller shall immediately notify Safe Plating with the pertinent facts, if the Seller becomes aware or suspects that items delivered in accordance with the Safe Plating purchase order are or contain suspect



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or confirmed counterfeit items. When requested by Safe Plating, Seller shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

Seller shall provide evidence of the Sellers risk mitigation process to the Safe Plating buyer upon request.

Seller shall purchase material directly from OEMs or OCMs or from Authorized Distributors of OEMs or OCMs and shall obtain approval from the Safe Plating buyer if items required to satisfy this order cannot be procured from these sources. Seller shall present complete and compelling support for any request to procure from sources other than OEMs or OCMs or their Authorized Distributors and include in the request all actions completed to ensure the parts thus procured are not Counterfeit Items.

Q27-PROCUREMENT LIMITED TO APPROVED SOURCES

This requirement is applicable to items purchased under a Source Control Drawing, Vendor Item Drawing, or other drawing that limits procurement to an approved manufacturer. The supplier must provide documented evidence of successful completion of qualification as an approved source, as listed on the drawing for the item, prior to acceptance of the Purchase order. If the supplier is a distributor, the distributor is limited to items manufactured by an approved source, and is responsible for providing documented evidence that the items being supplied meet this requirement. Only items manufactured by an approved source listed on the drawing are acceptable under this purchase order.

Q28-QUALITY SURVEILLANCE/INSPECTION/TEST BY BUYER AT SELLERS PLANT

Supplies and services ordered by this purchase order are subject to surveillance/inspection/test, at the buyer's discretion, by Buyer's Quality Representative at Seller's plant. Specific surveillance/inspection/test activities selected by the Buyer's Quality Representative may include review of all aspects of the production system, witnessing of processes, points of test, and in-process inspection/test as required to verify conformance to the purchase order.