1144 NW 53rd Seattle, WA 98107

# Vaupell Purchase Order Terms and Conditions

The provisions listed below shall be made part of the Purchase Order. The requirements of this document are generic and are intended to be applicable to all organizations doing business with Vaupell Northwest. Exclusions or deviations to these requirements are to be submitted in writing to the Quality Manager. Verbal authorizations will not be permitted. Requirements that cannot be applied due the nature of the organization and or the products/services provided will be considered as excluded, providing such exclusions do not affect the organization's ability or responsibility to provide product/service that meets Vaupell's and regulatory requirements.

## 1.0 Quality System Requirements 1

The Supplier's Quality System shall comply with the requirements of one of the following:

A) ISO 9001
B) ISO 13485
C) AS 9100
D) ISO/IEC 17025
E) Approved Audit

**NOTE:** If supplier is not compliant to this requirement, the Buyer to conduct risk assessment and approval shall be provided by Vaupell Quality Management team (Manager or SQR).

## 2.0 Source Inspection 1

Customer/Vaupell Rights: The Customer and/or Vaupell reserve the right to inspect any or all of the work included on this order at the Seller's plant. In such cases VAUPELL Quality Assurance will notify you forty-eight (48) hours in advance.

## 3.0 First Article Inspection 1

First Article Report: The Seller shall furnish a First Article Report with the first shipment of each item when:

- It is the first time the seller has made/supplied the item to VAUPELL.
- Drawing Revision changes a drawing dimension. (for the change only).
- A seller makes a change in major sub-tier support, i.e. different machine shop, chemical treatment, plating, from the original FAI.
- Seller makes an engineering prototype.
- After two (2) years lapse in production.
- There has been a change in manufacturing source(s), process(es), inspection methods, location of manufacture, tooling, or materials that can potentially affect fit, form, or function.

**NOTE:** First Article Inspection may not be required from supplier if noted in the purchase order.

The Compliance of Seller's with requirements of applicable engineering drawings and specifications will be determined from inspection and acceptance by Buyer of one (1) first article sample representative of the production process. Said sample shall be delivered to Buyer's plant and must be accepted prior to production run. All data resulting from the Seller's first article shall be submitted with the first article. Seller will be notified in writing of disposition (approval or rejection).

**4.0 Test Data/Reports 1**

Material Certs: One (1) copy of material certification, identifiable to the material submitted, must accompany each shipment.

Applicable to all supplier delivering product where engineering data was provided:

A) Dimensional Data: A dimensional check sheet shall be furnished with each part submitted for inspection. All check sheets shall include the heat, batch or lot number (as applicable), traceable to the raw material used, and shall specify the characteristics inspected and shall indicate acceptance by Seller.

Additional requirements to raw material supplier (such as Resins, Paint, Adhesives):

A) Acceptance Test Data: Each shipment against this order must be accompanied by a copy of the Seller's acceptance test(s) data to provide evidence of compliance with all acceptance test requirements.

B) Physical/Chemical Report: A validated physical/chemical test report must accompany all shipments made against each item of this Purchase Order, which indicates the percentage of each element that makes up the chemical composition and physical properties of all raw materials. The report shall specifically identify the material by reference to the number of the melt, cast, heat, drop, lot, or other similar designation, and must indicate the applicable specification, revision and Purchase Order designation.

C) Physical and Chemical Analysis: Seller shall maintain results of chemical and physical analysis performed on raw materials, which are employed on fabrication of articles purchased on this order, and shall make these available upon request.

**5.0 Lot Traceability 1**

A) Traceability System: All items on this order are subject to traceability at the seller's facility, which is defined as the ability to trace the history, application, country of origin, use and location of an individual item or characteristic lot of items through the system assignment, recording and correlation of control identification

B) Lot Identification: The Supplier shall assign a lot identification for each batch or manufactured lot. A lot is defined as a quantity that has been blended, mixed or fabricated during an uninterrupted manufacturing run. Each item in each lot shall be properly identified with the assigned lot number. Unless otherwise specified, the Purchase Order number is the lot traceability number.

C) Single Lot: All items furnished in accordance with this Purchase Order shall be of the same manufacturing lot. The manufacturing lot number shall be marked on the shipping papers.

D) Identification: The Seller shall legibly identify each part, assembly and material in the methods, and with the information, prescribed by the detail document. For example; drawings, purchase order number, gage or tool number, etc., as required.

**NOTE:** Parts, assemblies and materials not having sufficient space or identified as not feasible to be identified per designated part marking method identified in the applicable drawing/purchase order have to be escalated by the Seller to the Buyer in writing. Buyer shall then provide instructions to the Seller on how to proceed in writing.

**6.0 Age Control/Cure Dates 1**

Age-Sensitive Material: The articles furnished in accordance with the Purchase Order are subject to Age Control, Seller shall mark articles with batch or lot number, date of manufacture, cure date, storage environment, and/or shelf life as applicable. Unless otherwise specified in the Purchase Order, articles subject to age deterioration shall not be supplied when more than 20% of the shelf life has been expended.

**7.0 Certificate of Compliance (Conformity) 1**

The Seller shall submit with each shipment of material a statement on the Seller's stationary that certifies the following: "All material and/or services supplied are in conformance with requirements of the purchase order. Test reports, inspection results or other verifiable documentation of quality are maintained at the point of manufacture and are availabe for review by the Buyer and/or Government representative." Certifications shall contain, at a minimum:

A) Seller's name, address, and if applicable, supplier's product identification;
B) The Vaupell Purchase Order number
C) Product identification and revision level
D) Quantity supplied / shipped
E) Statement that the product, material, service or process conforms to the purchase order requirements
F) Authorized signature and date of quality representative or company official with title listed.

As applicable, the certificate shall also contain:

G) Serial numbers, lot numbers and /or batch number, as applicable;
H) Verifiable results (usually numerical results of observed visual criteria) of all testing /inspections required by PO, drawing or specifications for raw materials, special processes and other applicable products.

Catalog Items: For standard "off the shelf" (catalog items), a packing list is acceptable with a reference to purchase order. No revision level is required.

**8.0 Right of Entry 1**

The Buyer's Quality Assurance representative, VAUPELL's customer and/or their customer and any regulatory agency may perform audits and maintain surveillance of the seller's facility to assure compliance with the Quality Program, and evaluate the degree of capability and the continuing application of such ability to comply with these requirements. This function may also apply to subsuppliers with seller's

cognizance. The seller shall provide such facilities and assistance as may reasonably be required by the Buyer's Quality Assurance representative in the performance of their functions.

**9.0 Change Control 1**

A) The Seller specifically agrees that no changes are made in design, configuration, material, manufacturing process, testing method or testing sequence without the prior written approval of the buyer.

B) Seller's drawings, specifications, process documentation and test procedure, which have previously been approved by the Buyer shall be resubmitted to the buyer for evaluation and approval prior to the Seller effecting changes to the product or data. Changed articles shall be identified so as to segregate them from the unchanged articles.

C) The Seller is required to inform Vaupell of any changes to their Quality System Status or changes in their Management organization that could impact product being supplied to Vaupell.

**10.0 Rejected Material 1**

A) Failure Analysis: Seller shall conduct failure analysis on returned products as required by buyer, and furnished documented report of results to the Buyer. Each failure analysis report shall contain the basic identification information as to the type of hardware that failed, type or description of the analysis that was conducted on the failed part, the conclusions derived as a results of this analysis and the corrective action taken to prevent a recurrence of the failure. Buyer reserves the right to witness the failure analysis.

B) ReSubmission: Re-submittal of previously rejected parts or materials, including lots rejected on the basis of sampling inspection, shall be accompanied by the statement "Re-submittal Lot" on the Seller's shipping document and shall reference the Buyer's rejection report number. Such re-submittal shall be made on a separate Seller shipping document.

**11.0 Inspection and/or Production Tooling 1**

Seller is held responsible for the control, protection, calibration and care (other than normal wear) of all all materials, tooling, and equipment furnished by the Buyer or paid for by VAUPELL for use in performance of Purchase Order requirements. All tooling shall be subject to Buyer surveillance and/or inspection upon notice. Said material, tooling, or replacement tooling of equal quality, shall be returned to the Buyer in an acceptable condition upon demand or notice.

**12.0 Special Processes Approval / Certification 1**

A) Approval and Certification: Special processes, equipment and personnel utilized in performance thereof, shall be subject to approval or certification by VAUPELL Quality Assurance. Certification of special processes performed by a lower tier supplier is the responsibility of the Seller (first tier supplier). Objective evidence of special process certifications of the Seller's lower-tier supplier(s) shall be available to VAUPELL Quality

Assurance at the facilities of the Seller and at any sub-tier supplier's facility utilized in the performance of this order.

B) Approval: Processes performed by the Seller or his subcontractors, such as welding, heat treating, cleaning, electroplating, anodizing, chemical filming, nondestructive testing, etc., require VAUPELL Quality Assurance approval prior to fabrication under this order, and objective evidence of process specification compliance must be retained and be made available to VAUPELL and/or Government on request.

C) Certification: Process Certification must accompany all shipments to VAUPELL and shall identify the processor, process used and the specifications to which they conform. When nondestructive tests are performed, the certification shall be accompanied by a legible copy of the report.

**13.0 Nonconforming Material 1**

Seller's items which adversely affect form, fit, function, or reliability and not conforming to VAUPELL specifications shall be dispositioned by VAUPELL Material Review Board (MRB)/Quality Clinic/DMR prior to shipment. Disposition by VAUPELL MRB/Quality Clinic/DMR may be obtained by contacting the cognizant VAUPELL Buyer. MRB/Quality Clinic/DMR authority is not delegated to the Seller where nonconformance affects form, fit, function or reliability. Seller shall respond to requests for return material authorization (RMA) within ten (10) business days. Seller shall take immediate corrective action regardless of nonconformance identified to ensure that suspect and nonconforming product is contained. At a minimum the following needs to be performed:

A) Identify the problem
B) Quarantine suspect material
C) Establish a clear break point
D) Review all suspect material
E) Identify root cause
F) Implement corrective action
G) Validated the effectiveness of the corrective actions
H) Update quality system documentation
I) Review potential downstream effects on similar products.

**14.0 Re-qualification1**

Re-qualification on previously qualified items may be required as determined by VAUPELL when a change is made to the design or to the production process. Specific situations that generate a requirement for re-qualification include:

A) Any change in hardware design or spec.
B) A new manufacturing or processing source
C) Relocation of a manufacturing or processing facility
D) Interruption of 90 or more days in production of the item.

Suppliers and/or sub-tier suppliers anticipating or experiencing any of the above shall notify VAUPELL within three (3) working days if any of these situations become apparent. VAUPELL will provide suppliers with specific requalification requirements when required.

**15.0 Sample Inspection 1**

Any sample inspection performed on articles supplied on this Purchase Order shall be in accordance with the requirements of ANSI/ASQC Z1.4 / Z1.9, unless otherwise specified on this Purchase Order in accordance with the requirements of Vaupell.

**16.0 Packaging and Packaging Requirements**

The Seller shall assure that all the supplies on the Purchase Order are packed and packaged using materials of a grade, size, and weight, which will provide adequate physical protection from damage and contamination during handling and transport to the point of delivery.

**17.0 Requirement Flow down 1**

All requirements imposed on the purchase order shall be flowed down to all suppliers and subcontractors.

**18.0 Quality Records 1**

Quality Records shall be maintained for a minimum of ten (10) years unless otherwise noted. All Quality records shall be legible and shall be stored in a clean, dry environment so as not to be subject to damage, deterioration, or loss.

**19.0 Awareness & Ethics**

VAUPELL is committed to treating suppliers with fairness and integrity. VAUPELL will emphasize competition without discrimination or deception, in a manner consistent long term relationships. The Supplier shall ensure that persons doing work under the organization's control are aware of:
A) The Quality Policy.
B) Relevant quality objectives.
C) Their contribution to the effectiveness of the quality management system, including the benefits of improved performance.
D) The implications of not conforming with the quality management system requirements.
E) Relevant quality management system documented information and changes thereto.
F) Their contribution to product or service conformity.
G) Their contribution to product safety.
H) The importance of ethical behavior.

**20.0 Quality Planning 1**

The supplier shall engage in quality planning that includes critical concepts of defect prevention and continuous improvement.

**21.0 Process Controls 1**

Product shall be inspected to an inspection plan. Records to be maintained.

## 22.0 Software Validation

When a supplier writes software used to design, manufacture, inspect, test acceptance or calibration the following applies, at a minimum:

A) Verify software with documented test procedure
B) Obtain evidence that the software performs the required function
C) Maintain version control
D) Change control that includes re-verification and or revalidation
E) A method for archive and backup

## 23.0 EYE Examinations 1

Individuals that visually inspect product for final acceptance shall receive the following; a). Color Vision Eye Examination Every 12 months. b). Near Vision Eye Examination Every 12 months. A medical professional shall perform the eye examination (eye clinic, occupational health clinic, onsite health clinic of medical department). The individuals(s) shall meet the minimum standards in one eye, corrected with glasses or not corrected. The records of the eye examinations shall be maintained by the Supplier and made available upon request. Near Vision: Snellen 14/18 or better, Jaeger type 1 - 20/25 or Ortho-Rated 8 or equivalent. Color Vision: Average or normal 4 of 6 responses on Titmus, B+L or American Optical testing machine or a satisfactory response when tested with an Ishihara or Pseudoscomatic plate. NDE Eye Examination Requirements (FPI, X-Ray, N-Ray and Ultrasonic) a). Near Vision Eye Examination requirements for persons performing Nital/Temper Etch shall be type 2 with an acceptance criteria of 20/30 or equivalent. b). For Inspectors certified to the requirements of NAS410 (NDT) or Mil-STD-867 (Nital/Temper Etch), and for personnel performing visual inspection of welds, suppliers may administer their own eye examinations per the standard.

## 24.0 Vaupell Purchase Orders for U.S Government Contracts 1

U.S. Government owned gages and tooling supplied by Vaupell are Government Property and are subject to the provisions of the federal Acquisition Regulation (FAR) 52.245-2 (FP) or 52.245-5(CP), or 52.245-1. U.S. Government owned gages shall be clearly identified with tag that states the ownership. U.S. Government-owned gages/tooling/test equipment shall be treated as Vaupell owned and follow the same requirements identified above. The seller shall keep property records as shown in Federal Acquisition Regulation (FAR) 45.505-5 or 52.245-1.

## 25.0 Contamination Control 1

Foreign Object Contamination Control and Detection - Processors performing primary of secondary manufacturing or non-destructive testing (NDT) operations of Vaupell product shall ensure all open cavities subject to infestation of foreign objects and debris are free of any foreign matter (e.g. machine chips and dust particles, blasting materials, shot, weld and braze splatter, coatings, process solutions, maskants, etc.). Prior to the return of all cast components to Vaupell, the processor shall confirm the absence of foreign matter, objects, debris, and process solutions. Cross Contamination - All products (including raw materials) must be kept safe from any potential cross-contamination that may occur when processing similar or dissimilar products on the same manufacturing equipment. When switching from one manufacturing

process or product to another, the entire relevant manufacturing system must be purged as necessary to prevent material(s) from the previous production run to enter into the next production run. Lot Control - In a continuous manufacturing system lot control must be maintained to a level that a nonconformance can be traced back to additional material that could be affected, including adjacent lots. Materials known to contain greater than trace levels of lead, bismuth, silver, antimony, zinc, tin, iron, arsenic, and selenium and /or other harmful impurities such as tellurium, thallium, indium, sulfur, boron and cadmium should not be utilized in products for Vaupell. Seller to notify Vaupell immediately, if contamination with any of these above noted materials is suspected.

**26.0 Preference for Domestic Specialty Materials 1**

Seller shall agree to comply with Defense Federal Acquisition Regulation Supplement DFAR 252.225-7014 and Alternate I, Preference for Domestic Specialty Metals when the clause is specified in the purchase order. Use of foreign specialty metals may only be used with written authorization from Vaupell. Material substitutions are prohibited without formal approval from Vaupell. MSDS - Material
Safety Data Sheets are required for raw materials.

**27.0 Personnel Qualifications 1**

All personnel must be trained & qualified before performing processes.

**28.0 Prevention of Counterfeit Parts 1**

The Supplier shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to Vaupell. NOTE: Counterfeit part prevention processes should consider: training of appropriate persons in the awareness and prevention of counterfeit parts; application of a parts obsolescence monitoring program; controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources; requirements for assuring traceability of parts and components to their original or authorized manufacturers; verification and test methodologies to detect counterfeit parts; monitoring of counterfeit parts reporting from external sources; quarantine and reporting of suspect or detected counterfeit parts.



Notes:
1. Terms and Conditions designated with a suffix of 1 are only applicable to suppliers delivering product or services to Vaupell. Suffix 1 is not applicable to suppliers under facility classification.