

It is essential for Hy-Speed Machining, Inc. to have your cooperation as suppliers so that Hy-Speed Machining manufactures reliable products for our customers and fulfills its social responsibility as a corporate entity.

This letter is to request you, our suppliers, to observe the Supplier Quality Clauses so that we may achieve these goals.

The following Quality Clauses (Q's) shall apply to all suppliers regardless of commodity being procured. Quality Clauses **Q1** through **Q27** apply to all purchase orders unless otherwise specified.

Q1 – Counterfeit Part Prevention

Suppliers/Subcontractors shall have a counterfeit prevention/detection program listed below:

1. The SELLER shall represent that they are either an Original Equipment/Component Manufacturer (OEM/OCM) or an OEM/OCM authorized distributor.
2. The supplier shall ensure that only new and authentic materials are used in products delivered to Hy-Speed Machining Inc. The seller may only purchase parts from original equipment manufacturers (OEM), authorized distributors or approved aftermarket manufacturers.
3. Any product that was not provided by these sources will not be accepted by Hy-Speed Machining Inc., unless prior approval is obtained in writing.
4. Seller shall agree and ensure that counterfeit materials are not delivered Hy-Speed Machining.
5. The seller shall notify Hy-Speed Machining Inc, immediately if they become aware or suspect that it has shipped counterfeit product to Hy-Speed Machining.
6. In the event that counterfeit product has been supplied to Hy-Speed Machining Inc., the seller shall at its own expense, replace the product with genuine approved parts or materials conforming to the requirements.
7. The seller shall also maintain counterfeit parts prevention and control plan to prevent the delivery of counterfeit parts to Hy-Speed Machining Inc., reference **SAE AS5553B provides guidance for counterfeit prevention.**

Q2 – Management System

Supplier's Management System shall conform to a National and/or Internationally recognized system (i.e., AS9100D; ISO9001: 2015 or NADCAP) as applicable to the type of products and/or services provided to Hy-Speed Machining Inc., unless an alternate quality system level/type has been determined acceptable by Hy-Speed Machining Inc.

Q3 – Calibration Systems Requirements

The supplier shall maintain a certified equipment calibration system consistent with the Quality System in place or to ANSI/NCSL-Z540 whichever is applicable.

Q4 – Confidential and Proprietary Information

Our Purchase Order instructions, prints, specifications and intellectual data are considered proprietary information and are the exclusive property of Hy-Speed Machining Inc. or our customers and are considered trade secrets and are not to be given to any person, other than the employees of your company or authorized sub-tier supplier without our written authorization.

Q5 – Customer Property

Packaging containers, drawings, tooling and any other items furnished to you are to be returned to us at completion of this order. Any drawings or specifications furnished to you are not to be reproduced without our authorization. Any Drawings, Sketches or Specifications that you maintain are considered Uncontrolled.

Q6 – Flow Down Requirements

Suppliers will flow down all applicable requirements of the Purchase Order to their sub-tiers to insure conformance with all Specifications, Drawings, and Quality System requirements, Regulations, Key characteristics, Public Laws and any additional requirements specified in the Purchase Order and any relevant changes. Sub-tiers shall adhere to clause Q4.

Q7 – General Workmanship

Unless otherwise specified (i.e. drawing requirements, specifications, purchase order) material shipped against this Purchase Order shall be free of dents, gouges, burrs, scratches, sharp edges, foreign matter, or any other evidence of poor workmanship standards that shall create a condition that renders said part unsatisfactory for its intended use. All materials supplied under this purchase order must be fabricated and finished to the highest quality practical and in a workmanship like manner by trained and/or qualified personnel. All personnel shall be aware of:

- Their contribution to product conformity
- Their contribution to product safety,
- The importance of ethical behavior.

Q8 – Right of Entry

Hy-Speed Machining Inc. reserves the “Right of Access to review control methods and inspect material included in this purchase order at the supplier’s facility and sub-tier facility. Access rights shall be extended to our customer and Government or Regulatory Agency representative.

Q9 – Corrective and Preventive Action

The supplier shall respond to Hy-Speed Machining Inc. request for corrective action on or before the requested response due date. Supplier shall use Hy-Speed Machining Inc.’s Corrective Action form, or an approved equivalent.

Q10 – Quality Records Retention

Unless otherwise specified, quality records will be retained for 10 years. Quality records are defined as those records used in the processing, test and inspection of product, and/or services provided to Hy-Speed Machining Inc. Company by suppliers and their sub-tiers.

Q11 – Foreign Object and Debris/Damage (FOD) Prevention

The Supplier shall establish and maintain an effective FOD prevention program to control and eliminate FOD and/or contamination assuring work is accomplished in a manner preventing foreign objects or material from entering and remaining in deliverable products.

Foreign Object Damage and Debris – Unless otherwise specified on the purchase order, you should establish and maintain a F.O.D. prevention program that meets the requirements NAS412 “Foreign Object Damage/Foreign Object Debris (FOD) Prevention”

Q12 – Nonconforming Product/Process

Supplier shall notify Hy-Speed Machining Inc. of changes to material, processes, or of any nonconforming material, and must be approved by Hy-Speed Machining Inc. prior to implementation.

Q13 – Certificate of Conformance (C of C)

The Supplier shall provide on the packing list/shipper or on a separate document, a written statement titled “Certificate of Conformance” that complies with this requirement and is worded substantially as follows:

Certificate of Conformance

“This is to certify that all products or services delivered on this

Purchase Order # _____

packing list/shipper _____

part # _____

QTY's _____

are in compliance with all requirements of the PO. Objective evidence to support this certification will be made available for review upon request.”

Company Name: _____

Address: _____

Printed Name: _____ Date: _____

Title: _____

Signature/Stamp: _____

Q14 – Packaging

Parts shall be shipped and or returned in Hy-Speed furnished packaging (including insulation material if provided). The supplier shall package products to prevent damage during shipment. Protective insulating material including double box method should be used when necessary to ensure that procured articles are free from damage during transit. The protective abilities of the shipping package/box shall not be degraded by over packing.

If specific packing instructions apply they are outlined on the PO.

Parts not packaged correctly preventing damage may result in a chargeback.

Q15 – Critical Plating Requirements

Supplier shall not deviate from Hy-Speed Machining Inc.'s provided plating procedure or instructions unless pre-authorized by Hy-Speed Machining Inc., in writing on the P.O. Supplier must notify Hy-Speed Machining Inc. before performing any strip and re-plate action caused by supplier's process. You must perform final inspection.

Q16 – Final Inspection Required You must perform final inspection of processes that affect our parts prior to shipment.

Q17 – First Article Inspection

Supplier shall furnish a First Article Inspection (FAI) Report with this order. The FAI Report must be in AS9102 format, containing documented evidence of electrical compliance, and/or dimensional conformance. The Article Inspection samples shall be labeled and packaged separately to permit the correlation of test results by Hy-Speed Machining Inc.'s Quality Assurance.

Q18 – Supplier Use of Facilities Other Than Their Own

When a supplier uses a facility other than their own to perform a special process, the performing facility shall be specified on Hy-Speed Machining Inc.'s purchase order and certs from the other facility are required. Special Processes include, but are not limited to, the following: Plating, heat treating, chemical films, X-rays, Dip Brazing, soldering, encapsulation, welding; printed circuit boards, etc. The special processes shall meet the applicable specifications indicated on the drawing, purchase order and/or statement of work. Material received that has been processed by a process source other than that specified by Hy-Speed Machining Inc. purchase order shall be subject to rejection.

Q19 – Acceptance of Verbal Change

Verbal instructions from Hy-Speed Machining Inc.'s Purchasing Department shall be

followed by a Purchase Order Change Notice (email verification) within 24 hours. Furthermore, if a verbal change or agreement has been made, the supplier may not ship the product until the P.O. has been updated to reflect such changes or agreement.

Q20 – Certification of Special Processes

A certification is required with a statement certifying conformance to each special process (i.e. welding, plating, painting, soldering, heat treating, chemical films, anodizing, etc.) performed on the materials to the specifications (s) listed on the Purchase Order and/or drawing.

The signature of an authorized agent of the company performing each special process including the agent's title must appear on the certification. It must also include the Purchase Order number, part number and revision level, serial numbers (if applicable), lot number (if applicable) and quantity shipped.

Q21 – Test Data

Test Data shall be supplied for each item shipped. The test data shall reflect all electrical, mechanical and environmental parameters specified in the applicable procurement drawing. Sample data may be allowed only if specified on the purchase order.

Q22- Revision Control

Manufacturing shall comply with the latest revision as approved by Hy-Speed Machining Inc. on the day manufacturing begins.

Q23 – Hy-Speed Machining Inc. ITAR compliance

ITAR - The Technical data provided by Hy-Speed Machining to vendors may be governed by the United States International Traffic in Arms Regulations (ITAR). Vendor hereby represents and agrees that all technical data provided to the vendor by Hy-Speed Machining, Inc., hereunder will be used in strict compliance with ITAR requirements and solely for the performance of the work hereunder. Vendor agrees to implement procedures for restricting access to said technical data to U.S. Citizens Only. Disclosure and access to said technical data by a foreign national is subject to relevant approvals being obtained from the U.S. State Department. Vendor shall, upon completion of the work hereunder, including any warranty period, ensure that all said technical data is returned to Hy-Speed Machining.

Q24 - FOD

Foreign Object Damage and Debris – Unless otherwise specified on the purchase order, you should establish and maintain a F.O.D. prevention program that meets the requirements NAS412 "Foreign Object Damage/Foreign Object Debris (FOD)

Prevention”

Q25 – Supplier Performance

Suppliers are expected to meet Purchase Order quality and on-time delivery expectations 100% of the time. We may require formal corrective action from you when the quality and/or delivery rating falls below expectations for three or less consecutive orders.

Q26 – Conflict Materials

Conflict Minerals - We require raw materials that are produced in both an ethical and socially responsible manner. Hy-Speed Machining Inc. requires our raw materials to be certified as free from elements that originate in conflict-affected and high-risk areas. Our sourcing practices comply with Section 1502 of the Dodd-Frank Act.

Suppliers shall provide Materials and Services in accordance with Hy-Speed Machining Inc. purchasing documents. If non-compliance exists, Hy-Speed Machining Inc. shall be notified by contacting the Hy-Speed Purchase Agent.

Q27- Contribution to Conformity and Product Safety

The Supplier will ensure that all personnel are aware of their contribution to product conformity and product safety