

The following Procurement Quality Clauses are applicable when noted on the face of the purchase order. Any variation or non-conformance to these clauses when noted on the purchase order may be cause for rejection and may require positive, formal Cause and Corrective Action.

**Right of Access**

The supplier shall provide Atlas Magnetics, an Atlas Magnetics customer, or a specified third party (customer/regulatory agency), right of access to the facility and all records related to product ordered by Atlas Magnetics or one of its suppliers. Atlas Magnetics reserves the right for Atlas Magnetics, an Atlas Magnetics customer, or a specified third party (customer/regulatory agency), to perform an audit or inspection at the supplier's facility. Such verification shall not be used as evidence of effective control of quality. This verification does not absolve the supplier of the responsibility to provide acceptable product. Verification does not preclude subsequent rejection by Atlas Magnetics or its customer.

**Sub-Tier Selection/Control**

Atlas Magnetics reserves the right to specify or approve sub-tier suppliers chosen by its suppliers. Suppliers shall flow down to its sub-tier all relevant quality requirements imposed by these clauses.

**Contract Requirement Flow-down to Sub-Tier Suppliers**

The supplier shall flow down to its sub-contractor(s) all quality requirements imposed by applicable Atlas Magnetics purchase order(s) and as specified in these clauses, including government and DoD requirements.

Records

Records of conformity, inspection reports, material certification, or any other pertinent quality records that are created and maintained by the Supplier shall be retained for at least 10 years.

**Quality Clauses**

1) **Supplier Quality Control Program Requirements**

- 1A) Quality Program shall be in compliance with AS/EN9100.
- 1B) Inspection System shall be in compliance with ISO-9001.
- 1C) Calibration System shall be in compliance with ISO 17025 as applicable.

2) **Customer Source Inspection (CS) and/or Government Source Inspection (GS)**

- 2A) Atlas Magnetics Customer Source Inspection.
- 2B) Government source inspection is required prior to shipment from your facility. Upon receipt of this order, promptly notify the government representative who normally services your plant so that appropriate planning for government inspection can be accomplished. Also, furnish a copy of this order to the government representative. If for any reason you cannot locate the appropriate government agency, your Purchasing Agent should be notified immediately.

3) Atlas Magnetics, Inc. Source Inspection.

Items covered on this purchase order are subject to inspection at supplier's facility by an Atlas Magnetics Quality Assurance Representative as indicated by the code below:

- 3A) Prior to shipment of completed items.
- 3B) Prior to assembly.
- 3C) As designated in the body of the Purchase Order.

The supplier shall also provide no less than 48 hours advance notice to permit scheduling of source inspection. Evidence of source inspection is required to accompany each shipment.

Notwithstanding the provisions of this clause, Items may be subject to inspection and acceptance by Atlas Magnetics its Customer and/or Government Representative.

4) First Article Inspection Reports

The First Article shall include a complete, concise listing of dimensional characteristics and notes appearing on the respective drawing, noting tolerance limits and actual measured value.

First Article Inspection Report forms may be available from Atlas Magnetics, Inc. or the supplier may use their own if it meets the criteria of the Atlas Magnetics First Article Report.

Note: When a First Article Inspection Report is required, the first article part shall be selected at random from a finished lot and identified "First Article". The part shall be truly representative of the finished lot.

4A) Product for resale covered by a Purchase Order and is subject to First Article Inspection by the supplier if any of the following conditions exist:

- a) Parts have not been produced by supplier within past 24 calendar months.
- b) Following modification or new manufacture of tooling used in the manufacturing of product by the supplier.
- c) New drawing and/or revision change that affects the configuration.
- d) Manufacturing methods changed.
- e) Supplier or supplier's equipment relocated.

4B) Dimensional Inspection Report is mandatory in compliance with noted sampling inspection plan

5) Certificate of Conformance

The Supplier shall submit with each shipment a Certificate of Conformance which shall be dated and bear the signature, printed name and title of an authorized Supplier representative, stating that the articles furnished to Atlas Magnetics are in conformance with applicable requirements of the Purchase Order, drawings and specifications and that supporting documentation is on file and will be made available to Atlas Magnetics or Government representatives upon request. The Supplier, if other than a manufacture,

shall include within certification or by separate certification, the origin of manufacture and procurement, and the applicable trace ability information for articles.

The federal statement notification requirements are here by passed down to our suppliers. "The recording of false, fictitious or fraudulent statements or entries on this document may be punishable as a felony under federal statutes, including Federal Law, Title 18, Chapter 47.

6) Functional Test Reports

Each shipment must be accompanied by one (1) legible and reproducible copy of actual test results identifiable with test parameters and products submitted. These reports shall contain the signature and printed name and title of an authorized representative of agency performing the test and must assure conformance to specified requirements. (Controlled Test or Inspection Stamps may be used in lieu of Signature)

7) Material Certification

Each shipment must be accompanied by one (1) legible and reproducible copy of actual certification listing the description of the material, trade name, manufacture's name, specification number (type, grade, etc) as applicable. These reports shall contain the signature and printed name and title of an authorized representative of the manufacture.

8) Chemical/Physical Test Reports

Each shipment must be accompanied by one (1) legible and reproducible copy of actual Chemical and Physical test report identifiable with test parameters and materials submitted. The reports shall include the batch, heat or lot number and the specification to which the material was produced.

9) Process Certification

Each shipment must be accompanied by one (1) legible and reproducible copy of actual processing certification listing the process source, listing the process performed (i.e. heat treat, welding, plating, anodize, etc.) the specification and revision level to which the process was performed and name of processor. number (type, grade, etc) as applicable. Certificates shall be traceable to the material to which it applies by serial/lot number, heat number, shipper/purchase order number or other recognizable means. These Certifications shall contain the signature and printed name and title of an authorized representative of the manufacture.

10) Calibration

Traceability is required by actual test number to NIST, as applicable and the certifying lab must maintain a calibration system in accordance with ANZI Z540-1 or ISO 17025.

11) Age Controlled Materials

The supplier is required to submit with each shipment a certificate-attesting conformance of elastomeric/organic materials/parts listed on the purchase order. Age controlled materials shall be identified and packaged in accordance with applicable procurement specification. Other age sensitive materials such as adhesives, sealants, coating materials, and potting compounds, etc., shall as a minimum be identified on each container with the following:

- 1) Manufacture's name
- 2) Batch number
- 3) Storage temperature
- 4) Compound/spec number
- 5) Date of manufacture
- 6) Shelf life

12) Preference for Domestic Specialty Metals DFAR 252.225-7014

Where required by contract or PO, DFAR252.225-7014 shall apply.

Any specialty metals incorporated in articles delivered to Atlas Magnetics when this Quality Clause is referenced by contract (Purchase Order) shall be melted in the United States, its possessions, Puerto Rico or a qualifying country. (Reference DFAR 252.872-1 and 6.2)

This requirement shall be flowed down to sub-tier material sources.

13) Mercury Free Certification

Certification is required that material supplied has not been in contact with, or exposed to, Mercury in any form.

14) Material Safety Data Sheet (MSDS) Required

15) RoHS Compliant

Material Declaration must be provided that materials delivered against this order are RoHS compliant.

16) Counterfeit Goods

Seller shall not deliver Counterfeit, suspect-Counterfeit, or substandard Goods to Buyer under this Purchase Order. Seller shall not disguise the pedigree of material or chain of ownership by removal of a previous seller's name, nomenclature, or identification.

17) Requirements for Supplier notification to Atlas Magnetics of the following

- a) Supplier shall notify Atlas Magnetics, within 24 hours, of nonconforming product.
- b) Supplier shall obtain Atlas Magnetics approval for nonconforming product disposition prior to shipment.

c) Supplier shall notify Atlas Magnetics of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and , where required, obtain organization approval.