



## SUPPLIER QUALITY REQUIREMENTS

Standard Quality Requirements, as listed in Section 1 of this document, are applicable to all Purchase Orders.

Additional Supplier Quality Requirements are detailed in Section 2 of this document. If any are applicable, the requirement number will be listed in the body of the Purchase Order. Additional requirements may be included in the body of the PO

When the Supplier uses Sub-tier Suppliers, the Supplier shall flow down all specified Quality Requirements to those sub-tier suppliers.

### SECTION 1 - STANDARD ("STD") QUALITY REQUIREMENTS

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The following requirements are the minimum requirements for all Purchase Orders.

#### **PACKAGING**

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.

#### **NONCONFORMING MATERIAL**

Seller's items which are not conforming to VPE specified requirements including reliability are not to be submitted to VPE without prior written approval. Seller shall immediately notify VPE of any discovery of items which are found to be nonconforming to VPE specified requirements including reliability that have been previously delivered to VPE.

#### **DOCUMENTATION**

The supplier is required to provide a Packing Slip with product quantity, description/part number and VPE Purchase Order number.

#### **COMPLIANCE WITH LAWS**

Supplier shall undertake, warrant and represent that it will (and will require all of its employees, representatives, suppliers and subcontractors to) fully comply with all applicable laws, rules, regulations and standards including, without limitation, those concerning proper business practices throughout the entire duration of the Order. It is understood that failure by Supplier to comply, in whole or in part, with this requirement shall constitute a material breach of the Order.

#### **RIGHT OF ENTRY**

VPE, VPE's customer and/or their customer and any regulatory agency retains the right to gain access to the seller's facility and may perform audits and maintain surveillance of the seller's facility to assure compliance and evaluate the degree of capability and the continuing application of such ability to comply with these requirements. The seller shall provide access and assistance as may reasonably be necessary to comply with this provision.

#### **CONFLICT MINERALS**

Supplier shall maintain compliance to Securities and Exchange Commission final rule pursuant to section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act relating to the disclosure of conflict minerals use; specifically related to tantalum, tin, tungsten and gold.

#### **FRAUDULENT/COUNTERFEIT PARTS**

In accordance with SAE AS6174, Fraudulent/ Counterfeit Parts are suspect parts that are a copy or substitute without legal right or authority to do so, whose performance or characteristics are knowingly misrepresented. Seller agrees and shall ensure that Fraudulent/Counterfeit Parts, or any returned goods/ parts/materials/ electronic components, are not contained in the delivered products through the implementation of policies that include prevention, detection and risk mitigation methods to protect against their use. In the event Seller suspects that it has furnished Fraudulent/Counterfeit Parts or any returned parts/goods/materials/electronic components, it shall immediately notify VPE and report in writing whether such parts/goods/materials/ electronic components should be replaced with genuine parts/goods/ materials/electronic components. When requested by VPE, Seller shall provide (if available) Authorized Supplier documentation that authenticates traceability of the parts/goods/materials/electronic components. Seller shall include this clause or reasonably equivalent provisions in all subcontracts for the delivery of items that will be furnished to or included in products furnished to VPE. If the seller fails to comply with the requirements of this clause, such failure shall constitute a material breach and VPE shall have the right to all available remedies in law and in equality.

#### **SECTION 2**

## ADDITIONAL SUPPLIER QUALITY REQUIREMENTS

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### 1. QUALITY SYSTEM REQUIREMENTS

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

- A) MIL-I-45208
- B) ISO 9001
- C) AS9100

### 2. DROP SHIPMENT.

When Supplier does not ship directly to VPE, but drop ships to alternate location as specified on the Purchase Order, Supplier shall forward a copy of all requested documentation plus shipping & tracking information to VPE at [Receiving@VPEI.com](mailto:Receiving@VPEI.com) at the time of shipment.

### 3. SOURCE INSPECTION

#### A) VPE SOURCE INSPECTION:

All items on this Purchase Order require inspection and/or test, by a VPE Quality Representative, at the Seller's facility prior to shipment. VPE Quality Assurance shall be notified forty-eight (48) hours in advance of the time articles are ready for inspection.

#### B) Reserved

#### C) GSI / CUSTOMER / VPE RIGHTS:

The Government, Customer and/or VPE reserve the right to inspect any or all work included in this order at the Seller's plant.

### 4. FIRST ARTICLE INSPECTION

#### A) FIRST ARTICLE APPROVAL PRIOR TO PRODUCTION

The compliance of Seller's design 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 samples shall be tagged or otherwise identified. 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).

#### B) FIRST ARTICLE SOURCE INSPECTION

First Article Inspection shall be accomplished at the Seller's plant prior to production run. VPE Quality Department shall be notified at least forty-eight (48) hours in advance and shall witness the First Article Inspection and shall verify results by authenticating the appropriate documents. Verification of such results shall not constitute acceptance of any items required to be delivered hereunder, nor relieve Seller of its obligation to furnish items meeting the applicable drawing and specification.

#### C) FIRST ARTICLE REPORT:

The Seller shall furnish a First Article Report with the first shipment of each item manufactured or assembled to a VPE or supplier drawing when:

- It is the first time the seller has made / supplied the item to VPE.
- A Drawing Revision (for the change only).
- A seller makes a change in the seller's or major sub-tier support, i.e., different machine shop, chemical treatment, plating, from the original F.A.I.
- Seller makes an engineering prototype.

Actual dimensions must be provided and note attributes must be verified.

#### D) FIRST ARTICLE REPORT – AS9102:

The Seller shall furnish a First Article Report in accordance with AS9102 with the first shipment of each item when manufactured or assembled to a VPE or supplier drawing when:

- It is the first time the seller has made / supplied the item to VPE.
- A Drawing Revision (for the change only).
- If 2 years or more has elapsed since the last production item was shipped.
- A seller makes a change in the seller's or major sub-tier support, i.e., different machine shop, chemical treatment, plating, from the original F.A.I.
- Seller makes an engineering prototype.

Actual dimensions must be provided and note attributes must be verified.

## 5. TEST PROCEDURE APPROVAL

Seller shall obtain VPE approval of the acceptance/qualification test procedure prior to conducting tests on items to be delivered under this order.

## 6. DELEGATION OF VERIFICATION ACTIVITIES

The supplier is required to perform verification activities on behalf of VPE. Verification is defined as any inspection or other actions necessary to ensure the product meets specified purchase requirements. This verification activity will replace the VPE Receiving Inspection function. Supplier shall maintain a Quality Management System that is, at minimum, compliant **with current version of ISO 9001**.

## 7. TEST DATA / REPORTS (Signed and Dated)

### A) ACCEPTANCE TEST DATA:

Each shipment against this order must be accompanied by a test report, report of analysis, spectrum analysis, chemical analysis, etc., as applicable, to provide evidence of compliance with all acceptance test requirements. The report shall also include reference to the purchase order number, part number(s) being analyzed, and traceability information provided.

### B) CERTIFIED MATERIAL TEST REPORT:

A 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) Reserved

### D) INSPECTION DATA:

One (1) copy of Seller's inspection acceptance data, shall include the heat, batch or lot number (as applicable) traceable to the raw material used, and shall specify the characteristics inspected must accompany each shipment.

### E) 100% DIMENSIONAL DATA:

A dimensional inspection report shall be furnished with each part submitted for inspection. All inspection reports 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 actual results. Tool identification numbers must be referenced on inspection report traceable to results listed. Whenever fixtures or tooling are used in lieu of inspection gages, fixture or tool numbers must be so referenced on the inspection.

### F) Reserved

## 8. Reserved

## 9. MERCURY FREE

Part(s) shall be free of all mercury contamination. During the processing, the part(s) shall not come into direct contact with mercury, any of its compounds or with any mercury containing devices. The Supplier shall certify that the part(s), when shipped, are free from mercury contamination.

## 10. RADIOGRAPHIC INSPECTION

Radiographs and copy of the laboratory x-ray report must accompany the material to VPE.

## 11. DFARS 252.225-7008 & 252.225-7009

The order for this part is issued pursuant to a U.S. Department of Defense Prime Contact. DFARS 252.225-7008, "Restriction on Acquisition of Specialty Metals", and DFARS 252.225-7009, "Restriction on Acquisition of Certain Articles Containing Specialty Metals", are applicable for this part. Specialty Metals used in making this part must comply with the requirements of this clause. This requirement shall be included in all subcontracts for items containing specialty metals.

## 12. DFAR 252.225-7007

The order for this part is issued pursuant to a U.S. Department of Defense Prime Contact. DFARS 252.225-7007, "Prohibition on Acquisition of United States Munitions List items from Communist Chinese Military Companies", are applicable for this part. Materials used in making this part must comply with the requirements of this clause. This requirement shall be included in all subcontracts for items containing specialty metals.

### **13. LOT TRACEABILITY**

#### **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, use and location of an individual item or characteristic lot of items through the system assignment, recording and correlation of control identification numbers.

#### **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. The VPE Purchase Order number may be used as the lot traceability number.

#### **C) SINGLE MANUFACTURING 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) SERIALIZATION:**

The Supplier shall assign and permanently identify each unit manufactured, inspected, tested, and shipped with an individual serial number. The Supplier's method for assigning serial numbers shall be such that the same number cannot be used more than once. The Supplier's inspection and test records for each end item furnished shall be identified by the assigned serial number. Parts, assemblies and materials not having sufficient space for, or which could be damaged by marking shall be identified by a tag attached to the part or container.

#### **E) SINGLE RAW MATERIAL LOT:**

All parts for this purchase order item should be from the same raw material lot number. If a single lot cannot be used, the parts shall be produced from as few raw material lots as possible. The parts shall be segregated, packaged and identified by raw material lot to maintain raw material lot identification & traceability.

### **14. AGE CONTROL / CURE DATES**

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.

### **15. CERTIFICATE OF COMPLIANCE/ CONFORMANCE (C of C)**

Supplier shall submit with each shipment either on their packing list, or attachments, a Certificate of Conformance or Certificate of Compliance, which shall be dated with the signature and title of an authorized Supplier's or Manufacturer's Quality Representative, stating that the materials furnished to VPE are in conformance with the applicable requirements of the contract, drawings, and specifications. It shall also state that the supporting documentation is on file and will be made available to VPE, its customer(s), Government Representative, or any other regulatory or statutory agency upon request.

Certification must include the following:

- The supplier's full name and address;
- VPE purchase order number;
- VPE part number, revision, and as applicable, serial numbers;
- Quantity shipped;
- Lot / Date Code, as applicable;
- Name of lower-tier supplier and description of service provided (if applicable);
- Authorized signature and date;
- Statement by the supplier declaring the product or service has met all the requirements of the purchase order, including drawings and specifications at the prescribed revision level.

An example of an acceptable statement of Certificate of compliance/conformance is as follows:

"This is to certify that all items noted are in conformance with the contract, drawings, specifications, and other applicable documentation, and that all process certifications, chemical and physical test reports are on file at this facility and are available for review by VPE."

## 16. RECORD RETENTION

All quality documentation, including but not limited to records of manufacture, qualification, inspection and test, and traceability are to be maintained and available for review by VPE, VPE's customer, and/or Government Representative and shall be retained for a minimum of:

- A) 7 years
- B) 10 years
- C) 20 years
- D) Indefinitely

## 17. CHANGE CONTROL

### A) PRODUCTION PRODUCT/PROCESS

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

### B) APPROVED PRODUCT/PROCESS

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

## 18. FOREIGN OBJECT DEBRIS / DAMAGE

Material supplied shall be free of foreign objects & foreign object damage. The Supplier shall utilize effective FOD prevention practices as applicable to the product being supplied. The program shall be proportional to the sensitivity of the design of the product(s) to FOD, as well as to the FOD generating potential of the mfg. methods. Whenever and/or wherever FOD entrapment or foreign objects can migrate, seller's FOD prevention efforts shall, as appropriate, consider the following elements Design & Mfg. Process Review, Performance Measurement, Training, Material Handling & Parts Protection, Housekeeping, Tool Accountability, Hardware Accountability, Lost Items, Physical Entry Control into FOD Critical Areas, and FOD Focal Point(s).

## 19. FAILURE ANALYSIS

Seller shall conduct failure analysis on returned products and furnish 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 failure, a description of the analysis that was conducted on the failed part, the conclusions derived as a result of this analysis and the corrective action taken to prevent a recurrence of the failure.

## 20. VPE FURNISHED INSPECTION AND/OR PRODUCTION TOOLING

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

## 21. SPECIAL PROCESSES

### A) PROCESS CERTIFICATION

Process Certification must accompany all shipments to VPE 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 test report.

### B) PROCESS APPROVAL

Processes performed by the Seller or their subcontractor(s), such as welding, heat treating, cleaning, electro-plating, anodizing, chemical filming, nondestructive testing, etc., require VPE approval prior to fabrication under this order.

### C) RESERVED

### D) NADCAP CERTIFICATION

Special processes performed by the Seller or their subcontractor(s), such as welding, heat treating, cleaning, electro-plating, anodizing, chemical filming, nondestructive testing, etc., require NADCAP certification for items fabricated under this order. Objective evidence of certification must be available. The following statement shall be added to the C of C "All special process which were performed under this PO were NADCAP certified processes"

### E) PLATING TEST DATA

A copy of the supplier's test report containing quantitative results of plating thickness tests must be provided with each lot and shall reference the plating specifications and revision level.

### F) OUTSIDE TESTING FACILITY ACCREDITATION

Supplier must be accredited and certify compliance to ISO/IEC 17025.

## **22. RESERVED**

## **23. SAMPLE INSPECTION**

### **A) ANSI/ASQC Z1.4:**

Any sample inspection performed on articles supplied on this Purchase Order shall be in accordance with the requirements of the current revision of ANSI/ASQC Z1.4 - Inspection Level Normal II AQL 1.0, c=0

### **B) VPE APPROVAL**

Supplier shall submit sampling plans to VPE for review and approval prior to the performance of any sampling inspection and/or test (other than 100%).

### **C) 100% INSPECTION**

Sample inspection of items furnished on this PO is not permitted. 100% inspection of all items is mandatory.

## **24. WOOD PACKAGING REQUIREMENTS**

Supplier shall comply with and certify to packaging regulation ISPM 15 "Requirements of Wood Packaging Materials".

## **25. EXPORT COMPLIANCE**

Items, including Technical Data, associated with this Purchase Order are under the Jurisdiction of the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq. or the Export Administration Regulations, 15 C.F.R. 730-774 and are subject to Defense Federal Acquisition Regulation Supplement (DFARS) 252.204-7012.

Seller agrees to comply with all applicable U.S. export control laws and regulations and agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception.

- Seller shall immediately notify VPE if Seller is, or becomes, listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.
- Seller represents that it is registered with the Office of Defense Trade Control and maintains an effective export/import compliance program in accordance with all US Government regulations.
- Seller shall provide prompt notification to VPE in the event of changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR, and the initiation or existence of a U.S. Government investigation, that could affect the Seller's performance under this Contract.
- Seller shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.

## **26. CALIBRATION SERVICES ACCREDITATION**

The calibration facility shall be accredited to ISO/IEC 17025 or national equivalent. All calibrations must be performed in accordance with ANSI Z 540 (latest revision). The calibration service supplier must provide a Certificate of Calibration for each service performed. At minimum, the certificate shall include the following:

- Verification of calibration in accordance with the current revision of ISO/IEC 17025 and ANSI/NCSL Z540.3 requirements
- Identification of all standards used with certifiable traceability to NIST
- Statements describing any adjustments made to the equipment
- A statement of the environmental conditions at the time of calibration, including both temperature and humidity readings
- Unless otherwise specified on the PO, accuracy shall be in accordance with the manufacturer's recommendations
- Statement of conformance to specification after calibration
- Condition as received, including any out of specification readings; VPE must be notified immediately if out of specification condition exists.

## **27. SAFETY DATA SHEET (SDS)**

The supplier shall furnish an SDS with the first shipment. If the material and/or the SDS have been revised since previous shipment, the supplier must furnish a revised SDS with the next shipment. If a material does not require an MSDS per OSHA 29 C.F.R 1910.1200 Hazard Communication one need not be provided.

## 28. ENVIRONMENTAL COMPLIANCE

- A) Supplier warrants and represents and will certify that all Product supplied and work performed under this Agreement shall comply with the EU Directive 2002/95/EC on Restriction of Use of Hazardous Substances (“**RoHS**”).
- B) Supplier warrants and represents and will certify that all Product supplied and work performed under this Agreement shall comply with the EU Directive 2011/65/EU on Restriction of Use of Hazardous Substances (“**RoHS 2**”).
- C) Supplier warrants and represents and will certify that all Product supplied and work performed under this Agreement shall comply with (EC) No 1907/2006 on Registration, Evaluation, Authorization and Restriction of Chemicals (“**REACH**”).

## 29. DIGITAL PRODUCT DEFINITION DATA

Supplier shall have a documented plan for the Control of Digital Product Definition Data. The scope of the plan shall include the following:

- Configuration Control
- Data Security
- Translation of Data
- Product Inspection
- Problem Reporting
- Control of Non-Conforming Data Sets
- Internal Audits

Additionally, derivative media used at the supplier for final product acceptance shall be submitted to VPE Quality Assurance for translation verification prior to use.

## 30. GOVERNMENT CONTRACT

This purchase order is in support of a U.S. Government Contract and therefore the following DFAR clauses apply:

- 252.204-7012 Safeguarding covered defense information and cyber incident reporting.
- 252.204-7019 Notice of NIST SP-800-171 DoD Assessment Requirements
- 252.204-7020 NIST SP 800-171 DoD Assessment Requirements
- 252.204-7021 Contractor Compliance with the Cybersecurity Maturity Model Certification Level Requirement

Within listed DFARs requirements include, but are not limited to, the need for procedures to be in place to provide safeguarding of covered defense information and cyber incident reporting as outlined in the 110 Information Technology (IT) security standards detailed in the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171r1 as well as the need to have completed at least a “Basic” NIST SP 800-171 DoD Assessment, within the 3 years prior to acceptance of this purchase order.