



Numerical Precision Inc.

NUMERICAL PRECISION INC. SUPPLIER FLOW DOWN OF P.O. REQUIREMENTS

The requirements listed below may be included with the Purchase Order, as needed, to facilitate flow down requirements to the supplier. Numerical Precision Inc. shall be referred to as the “Company” throughout this page.

100: RIGHT OF ACCESS

Employees of the Company, customers, and/or regulatory authorities have a right of access to all facilities, applicable records and processes, including any level of the supply chain pertaining to this purchase order.

105: REQUIREMENTS FLOW DOWN

Seller is responsible for compliance with all provisions of the purchase order and for furnishing materials and/or processes which meet all the requirements of this purchase order. If any materials and/or processes are procured from sub-tier suppliers, all requirements must be flowed down to the supply chain.

110: RECORDS

Quality records shall be retained for a minimum of seven (7) years after completion of purchase order, or as directed by the Company or customer’s quality requirements. Records shall be identified and stored in a manner that allows them to be easily retrieved and adequately protected. Seller shall also be responsible for providing a Certificate of Conformance, chemical/material test data, etc. with the product as evidence of conformance, if applicable.

115: NONCONFORMANCE REPORTING

Seller shall report all non-conformances in either the part or product configuration or any deviation from any special process, including items previously delivered, in a prompt manner. Any rework or repair must be authorized by the Company and submitted in writing to the Company purchasing personnel for authorization prior to the rework or repair.



120: TECHNICAL REQUIREMENTS

- 1) **Chemical and Physical Test Reports** - Each shipment is accompanied by one legible and reproducible copy of all chemical and physical test reports. The report contains the signature and title of the authorized representative of the agency performing the test and must conform to specification requirements. The report shows the purchase order number.
- 2) **Process and Material Certification** - Each shipment is accompanied by one legible and reproducible copy of a Certificate of Compliance for each process or material used. Such processes as heat treating, welding, soldering, magnetic particle inspection, penetrant inspection, ultrasonic inspection, surface preparation and treatment and chemical processing are included. The certificate identifies the process or material, the purchase order number, the specification to which they conform and the name of the agency that performed them (if other than the seller). In addition, the signature and title of the authorized representative approving the information is included.
- 3) **Traceability** - Items under this purchase order must be traceable to heat lot/lot numbers of the original manufacturer, if applicable. Copies of all traceability and inspection records are submitted with raw materials, parts, or assemblies to which they apply. Raw materials used are identified by lot number as well as material type, specification and heat number and must be traceable to records of acceptance (e.g., packing slip, bill of lading, etc.). Parts fabricated are identified with the lot or raw material used.

125: QUALIFIED OUTSIDE/SPECIAL PROCESSORS

Supplier shall only use qualified suppliers/personnel to perform special processes. These special processors may be identified by the Company and listed on the Approved Vendor List (AVL) prior to use.

130: QUALIFIED MATERIALS

Supplier shall use/provide defined raw materials as specified by the purchase order. These materials are to be purchased from qualified suppliers that are identified by the Company and listed on the Approved Vendor list prior to use.

135: CHANGE NOTIFICATION

Supplier shall report to the Company purchasing personnel ANY changes/substitutions in the supplier's process or product definition that could/would affect the quality, conformance and/or performance of the deliverable services, process and/or product. Any deviation in process or product definition by the supplier requires the Company approval prior to shipment of product.



140: FOD PREVENTION

Any items that could/would classify as FOD (Foreign Object Debris/Damage) shall not be used in the preparation or packaging of product, or parts delivered to the Company (i.e., staples, paperclips, etc.).

145: RIGHT OF INSPECTION & REJECTION

No parts received from processor by Numerical Precision Inc. shall be deemed accepted until the Company has had a reasonable time to inspect such items and determine the actual quantity received for any packaged parts. Such inspection and physical count shall be performed at the Company facility. Any items which have been discovered to be defective or which fail to conform to the specifications may be rejected upon initial inspection or a later time if the defects contained in the items are not reasonably ascertainable upon initial inspection. Processor shall be liable for any parts lost or damaged by processor and shall reimburse the Company for the actual cost to remake damaged, defective or lost parts including shipping and handling costs.

150: CURRENT SPECIFICATIONS 1

It is the supplier's responsibility to verify all product and material specifications utilized at supplier's facility are at current revision levels, including but not limited to, Industry Standards, Government Specifications, and the Company provided drawings and/or data.

155: CURRENT SPECIFICATIONS 2

Work to be accomplished in performance of this purchase order must be accomplished in accordance with CURRENT AND LATEST REVISION of the process specification stated/requested on purchase order.

160: COUNTERFEIT PARTS/MATERIALS PREVENTION AND CONTROL

Suppliers shall ensure through their processes and/or a formal program against the receipt of counterfeit parts/materials into their inventory, against their use in manufacturing, and against their being sold to other suppliers. Suppliers processes and/or formal program shall be similar to, and meet the intent of SAE AS6174, Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material and/or AS5553, Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition.



Counterfeit work - (a) For the purposes of this clause WORK consists of those parts delivered under this purchase order that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). “Counterfeit Work” means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, but is altered and misrepresented as acceptable. (b) Supplier shall not deliver Counterfeit Work under this purchase order. (c) Supplier shall only purchase products to be delivered or incorporated as Work directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing.

(d) Supplier shall immediately notify the Company with the pertinent facts if supplier becomes aware of suspects that it has furnished Counterfeit Work. When requested, supplier shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. (e) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this purchase order addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails. (f) Supplier shall include paragraphs (a) through (e) and this paragraph (f) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as work to the Company.

Knowingly supplying material deemed or suspected as counterfeit will be considered unethical business practice and would result in a supplier investigation, reporting and possible removal from Numerical Precision Inc.’s approval vendor listing.

165: ADDITIONAL NEEDS FOR EXTERNAL PROVIDERS

The need to implement a quality management system

Ensure that all personnel are aware of their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior.