

Supplier Quality Requirements & Expectations

Effective 9/1/2019

PURPOSE

Tech-Max Machine, Inc., Supplier Quality Requirements and Expectations have been developed to provide our Approved Suppliers the minimum level of management system requirements necessary to meet our quality objectives. These requirements and expectations reflect our own standards and how we do business at Tech-Max, after all, responsible behavior is fundamental to our relationship. The provisions, terms and conditions of the Purchase Order and related documents, as well as this Supplier Quality Requirements & Expectations document solely define the relationship between Tech-Max Machine, Inc., and our suppliers. The information contained in our purchase orders is considered to be confidential.

SUPPLIER EXPECTATIONS

Our expectations for you as an Approved Supplier are consistent with ISO 9001 and AS 9100 Quality Management Systems, based on requirements identified below. It is our expectation and requirement that ethical behavior be carried out when processing a Tech-Max Purchase Order. Purchase Order information will describe the product and/or service to be purchased, and where appropriate will include additional requirements to those specified below:

- A. **FRAUD or FALSIFICATION:** Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in with the performance of work under any Tech-Max purchase order may be punishable in accordance with applicable Federal Statutes.
- B. **Certificates of Conformance/Analysis:** Unless specifically stated on the purchase order as not required, a legible "Certificate of Conformance" (C of C) statement and/or Certificates of Analysis (COA) shall be provided with each shipment to Tech-Max and shall state that the items were produced in conformance with requirements as specified in the specifications and/or regulatory authority requirements when applicable. Shipments against this purchase order constitute seller's certification of conformance/compliance to all requirements imposed within this purchase order, objective evidence of which will be filed and is subject to review by Tech-Max.
- C. **Management's Responsibility:** Ensure that a quality management system is established which meets all of the requirements defined within this document and that the product and/or service provided conforms to specified requirements. Documented processes shall be established which provide for approval of the product, procedures, processes and equipment and requirements for record retention.
- D. **Order Review:** Ensure the Purchase Order requirements are understood; and that the capability and capacity exist to meet the product specifications, current issues of drawings, key requirements, process requirements and other technical data and/or service requirements prior to accepting the Purchase Order. All material, product or services must meet specifications called out on purchase documents and applicable requirements and where required must Flow Down to the supply chain the applicable requirements, including customer requirements.
- E. **International Traffic in Arms Regulation (ITAR):** If our customer has defined on their Purchase Order, products or documents - collectively known as "Technical Data" - supplied to you contain information whose export is governed by the U.S. International Traffic in Arms Regulation (ITAR), this information will be flowed down to you, and you must not present to or transferred to a foreign person or entity without the proper authorization from the U.S. Government. Violations of U.S. export laws (ITAR) are subject to

severe criminal, civil and administrative penalties. Suppliers must also flow down the same information to any sub tier sub-contractor or supplier you use to execute our purchase order.

- F. **DPAS**: If a DPAS rating (Defense Priorities and Allocation System) is indicted on the Tech-Max Purchase Order, then the purchase order is a rated order certified for national defense use and suppliers are required to follow all the provisions of the DPAS regulation (15CFR Part 700).
- G. **DFARS**: If the Purchase Order is designated as a "DFARS" (Defense Federal Acquisition Regulation Supplement) Purchase Order, it is an order for national defense. Supplier must understand and comply with all applicable DFARS requirements as it relates to such designated Tech-Max purchase orders.
- H. **Drawing & Specification Control**: Ensure control of all internal or external technical documentation and data (product and/or process related). This includes the identification and revision status of specifications, drawings, process requirements, inspection instructions and other relevant technical data, as well as any requirements for test, examination inspection, statistical techniques, key characteristics and related instructions and other relevant technical data.
- I. **Process Control**: Ensure that the planned production, installation, and/or servicing activities are carried out under controlled conditions (typically implemented via a "Quality Plan" and/or "Control Plan" or other established procedures).
- J. **Inspection & Testing**: Perform necessary inspection and/or testing activities throughout the process (as appropriate), and provide objective evidence (or records) that the product and/or service conforms to Purchase Order requirements (when requested). Provide test specimens (e.g., production method, number, storage conditions) as required for inspection, investigation or auditing. Any defective or non-conforming items may be rejected upon initial inspection or a later time if the defects are not reasonably ascertainable upon initial inspection.
- K. **Measuring & Test Equipment Control**: Ensure that the equipment planned for, and utilized in the inspection and testing activities are capable of measuring the product and/or process specifications to the desired accuracy and precision.
- L. **Nonconforming Material Control**: Ensure that nonconforming product and/or service is prevented from further processing and is controlled through a dispositioning process that identifies, evaluates, corrects the product and/or service, and eliminates the causes for the nonconformance. Tech-Max must be notified of any nonconforming product. Disposition of non-conforming product must have approval of authorized Tech-Max Machine, Inc. Quality or Management Personnel.

When Tech-Max Machine, Inc. identifies non-conformance caused by the supplier, a supplier corrective action report may be submitted to the supplier. The supplier is required to take actions and provide response to Tech-Max Quality Department, within 14 calendar days of the date of receipt.

- M. **100% On-Time Delivery**: Strive to meet the Tech-Max purchase order requested delivery requirements within the established lead times. In the event of any anticipated or actual delays the supplier must promptly notify us, with the reasons for the delay and the actions being taken to overcome or minimize the delay.
- N. **Qualified Personnel**: Ensure that personnel who manage, perform work, and verify compliance to the product and/or service requirements have been qualified and determined to be competent on the basis of appropriate education, training, and/or experience.
- O. **Validation of Production Processes**: Production Processes shall be validated where the resulting output cannot be verified by subsequent monitoring or measurement. This includes any processes where deficiencies in the process only become apparent after the product is in use or the service has been delivered. Validation shall demonstrate the ability of these processes to achieve planned results. The supplier shall establish documented processes including, as applicable, defined criteria for review and approval of the product, procedures, processes and equipment and requirements for records and revalidation. The supplier shall insure that special processes (including finishing, plating, passivation, heat treating, welding, NDT, etc.) were performed in accordance with military or industry specifications as indicated on the drawing or purchase order.
- P. **Process/Facility Changes**: Tech-Max must be notified and provide approval of any changes to product,

process, suppliers, or facility location. The process/facility change must be evaluated for efficacy and to ensure continued conformance to all of the specified product requirements.

- Q. **Record Retention:** Records must be maintained for 5 years for all Tech-Max purchase orders, and 10 years for purchase orders identified as AS9100, or ITAR unless otherwise specified on the Purchase Order.
- R. **Customer Designated Suppliers:** When required by the end customer, drawing and/or specifications the customer-designated or approved external providers shall be used, including process sources (e.g. special processes).
- S. **Right of Access:** Right of access shall be provided by the supplier, to Tech-Max, our customer, and regulatory authorities to all facilities, any level of the supply chain, involved in the order and to all applicable records, to audit or verify product and/or service at the applicable location when properly prearranged with the supplier's management.
- T. **Counterfeit parts:** Suppliers shall establish a defined process that prevents the receipt of counterfeit parts/materials into their inventory, including detection and elimination of FOD (Foreign Object Detection) and their use in manufacturing and their inclusion to Tech-Max Machine, Inc. Suppliers must have a Prevention of Counterfeit Parts Plan in place to ensure conformance to AS9100 specifications and to comply with applicable laws, regulations and industry "best practice" protocols when conducting business with Tech-Max.
- U. **Conflict Minerals:** Tech-Max expects suppliers to conduct appropriate due diligence, where reasonable feasible, to identify, report and take remedial action, if their products contain conflict materials (tin, tantalum, gold and tungsten, etc.) that comply with all laws and regulations relating to Section 1502 of the Dodd-Frank Act.
- V. **Workplace / Employees:** Suppliers are expected to foster an inclusive work environment where individuals are treated with dignity and respect, free from harassment or other abusive conduct. This includes complying with, but not limited to, all applicable non-discrimination laws, all applicable child labor laws, all applicable laws relating to pay, benefits, working hours, health and safety.
- W. **Disaster Plan:** Supplier is expected to maintain a documented Disaster Recovery Plan or Business Continuity Plan as it relates to Tech-Max purchase orders.
- X. **Environment:** Tech-Max expects suppliers to comply with all applicable laws and regulations regarding the environment and to conduct their business in a manner that actively manages environmental risks.
- Y. **Personnel Awareness:** ensure that all persons are aware of:
 - their contribution to product or service conformity;
 - their contribution to product safety;
 - the importance of ethical behavior.