

## SUPPLIER FLOW-DOWN REQUIREMENTS



By accepting this purchase order as a Supplier to VRG Components, Inc. (VRG) you agree to comply with the additional terms and conditions listed below with respect to any product or services provided to VRG.

- 1. Control of Drawings & Specifications:** The Supplier shall ensure that the drawings and specifications are the relevant revision status specified on the Purchase Order. The Supplier shall comply with any special requirements requested by VRG regarding the control of drawings and specifications.
- 2. Quality/Inspection System:** The Supplier shall maintain a quality/inspection system that will ensure all goods and services conform to contract requirements whether manufactured or processed by Supplier or procured from Sub Tier Suppliers.
- 3. Reporting Discrepancies:** Discrepancies, omissions, and the need for clarifications or interpretations of any nature encountered by Supplier in respect to furnished drawings or engineering data will be brought to the attention of VRG for resolution.
- 4. Calibration System:** All Inspection Measuring & Test Equipment used by the Supplier during in-process and final inspection to make a compliance evaluation shall be calibrated to the AS9120B Standard traceable to NIST.
- 5. Special Processes:** The Supplier shall provide certifications for all special processes and nondestructive test results performed with each shipment. The certificate shall identify the processor, process used, controlling specification & revision, and the results of test or measurement performed. Supplier used shall be a VRG and/or Customer approved source for said Processes. These include operations subject to process controls such as: Welding, NDT, heat treatment, etc. The Supplier shall be approved as per above to perform specific required Special Processes or use Special Process vendors acceptable to VRG and VRG's customer.
- 6. Material Substitution:** Unauthorized material substitutions are not permitted without VRG's written consent.
- 7. Changes in Process, Product or Location:** The Supplier shall notify VRG of intended or actual changes that may affect the quality of delivered goods and services. This includes Changes to the Quality Management System, the Manufacturing Line, Facility Location, Processes, or Natural Disasters. Quality data and/or approved design data are to be available in the English language.
- 8. Workmanship Quality:** Manufactured product shall be free from burrs and sharp edges. Cosmetic issues caused by manufacturing or special processes must be identified. The Supplier is responsible for the cost of product damaged due to mishandling by the supplier.
- 9. Limited Shelf-Life Items:** Materials with limited shelf life shall indicate the date of manufacture, lot number and applicable specification on the container.
- 10. Certificate of Conformance:** The Supplier's acceptance of VRG's purchase order certifies that the materials and processes supplied under the purchase order shall be or have been controlled and inspected in accordance with VRG's purchase order and they meet the specified order requirements, referenced specifications and drawings.

The Supplier must provide a Certificate of Conformance for all orders and lots, verifying that all products and lots meet those requirements. All products, lots and serial numbers must be clearly identified and labeled and must be traceable to and linked to the Certificate of Conformance.

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For calibration related certifications the serial numbers must be listed on the certificate of conformance along with other applicable information regarding the calibration process. The date of calibration and date due as provided in the purchase order must be listed as well.

11. **Nonconforming Products and Materials:** Supplier shall obtain VRG's prior written approval with respect to the disposition of any nonconforming products or materials supplied, that does not meet engineering drawing or documents under contract or Purchase Order. In the event that nonconforming materials are present, and the materials are deemed acceptable or useable by the Supplier, it is still the responsibility of the Supplier to inform VRG so that a determination can be made for the use of said materials. VRG has the right to reject parts and withhold payment if non-conforming parts are shipped without notification. The Supplier is responsible for the total cost of product rejected due to non-conformance by the supplier.
12. **Right of Access:** VRG, its customers, and regulatory authorities shall be granted the right of access to all Supplier and sub-tier Supplier facilities and records involved in fulfilling the Purchase Order requirements to ensure conformance with the requirements.
13. **Record Retention:** Supplier shall maintain records of inspections, tests, and process controls called for by the contract or Purchase Order. Unless specified elsewhere in contracts, customer flow down requirements or attachments, these documents shall be on file, stored and protected in such a manner that they remain legible, readily identifiable, and readily available to VRG for no less than 7 years.
14. **Letter of Disclosure:** When a nonconformance is determined to exist or is suspected to exist on goods and/or services already provided to VRG under Purchase Order Contract, the Supplier shall provide a written Post Delivery Notification Letter or Letter of Disclosure.
15. **Counterfeit Parts:** Supplier shall certify that only new and authentic materials are used in products or goods delivered to VRG and that the products/goods delivered contain no Counterfeit Parts.
16. **Foreign Object Debris/Damage:** The Supplier is required to establish and maintain a Foreign Object Debris/Damage (FOD) prevention program that employs appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, during operations and normal daily tasks. Parts supplied shall be free from oil, grease or any other FOD unless part requires said oil to avoid corrosion.
17. **Supplier Corrective Action:** The Supplier shall, on request, provide statements of corrective action on nonconformities or failures of the Supplier's goods or services.
18. **Packaging and Handling:** As a minimum, the Supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration, and physical damage during shipment. If required, oil must be placed on certain material to prevent corrosion. Electrostatic sensitive product shall be packaged in an ESD protective bag. In addition, when materials delivered are lot-controlled and multiple material lots are shipped, each lot shall be separately packaged and identified.
19. **Flow down to Sub-tier Suppliers:** Suppliers shall flow-down to Sub-Tier Suppliers the applicable requirements as required by the purchase order either specifically or by reference.
20. **Confidentiality:** Suppliers shall hold all information received from VRG in confidence and no third-party request for information will be authorized unless approved, in writing, by VRG.
21. **Ensuring that persons are aware of:**
  - Their contribution to product or service conformity;
  - Their contribution to product safety;
  - The importance of ethical behavior.