

Quality Terms & Conditions **D & K Industries, Inc.**

All suppliers must comply with these terms & conditions. All purchase orders shall note additional terms & conditions as needed.

I. Approval

All suppliers must be approved by D&K Industries and have a current quality management system in place. If jobs require ITAR it will be written on the Purchase Order.

II. Right of Access

The supplier shall allow D&K Industries, their customers, and any regulatory authority right of access to all facilities and applicable records involved with each purchase order. Right of access shall be flown down at all levels of the supply chain.

III. Control of Documents

The supplier shall control all documents supplied by D&K Industries that pertain to the order. No third party request for information will be authorized unless instructed by in writing by a customer representative. All documents must be retained for 10 years minimum, unless extended retention is required by customer flow down.

IV. Standards & Specifications

The supplier shall furnish services and/or goods to the latest revision; applicable standards; and applicable specifications, unless otherwise noted in the purchase order.

V. Delay of Shipment

Any delay in shipment must be conveyed to D&K Industries as soon as the delay is known.

VI. Change of Contract Requirements

D&K Industries must approve any changes to contract requirements by the supplier in writing.

VII. Change Notification

It is the supplier's responsibility to notify D&K Industries of any changes in the product and/or

process relevant to the order.

VIII. Non-Conformance Notification

The supplier shall segregate and control any non-conforming material/product to prevent any unauthorized shipment, upon discovery. The supplier must immediately notify D&K of any non-conforming material/product and make the proper arrangements for approval.

IX. Subcontracting

D&K must be notified prior to transferring any order to a subcontractor. The supplier must have written permission from D&K prior to transferring work to any other facility.

X. Flow Down to Sub-Tier Suppliers

It is required for the supplier to flow down to sub-tier suppliers the applicable requirements in the purchasing documents; including key characteristics where required and positive FOD control processes.

XI. FOD

Foreign Object Debris is unacceptable at D&K Industries. All products must be inspected for this condition. Any FOD identified must be removed before shipment.

XII. Tooling

Any tooling or equipment provided to the supplier by D&K Industries in support of the order shall be handled and stored appropriately in order to avoid damage.

XIII. Packaging

The supplier shall package products appropriately to avoid the possibility of damage during shipment.

XIV. Machining Suppliers

Machining suppliers must always furnish inspection reports, Certificate of Conformance, processing certification (as applicable), and material certification (as applicable). When stipulated on a purchase order, a documented First Article Inspection may be required prior to production. The first article indicating compliance to all dimensions must be submitted with first article sample. Machining suppliers shall have a control plan to address counterfeit parts and notify D&K Industries of any potential counterfeit parts that may affect an order.

XV. Processing Suppliers

Processing suppliers must furnish processing certifications in accordance with the purchase order requirements, and shall not process any parts for which they are not certified or approved. Processing suppliers shall have a control plan to address counterfeit parts and notify D&K Industries of any potential counterfeit parts that may affect an order.

XVI. Material Suppliers

Material suppliers must furnish material with certifications in accordance with the purchase order requirements, and shall not supply material for which they are not certified or approved. Suppliers must, also, comply when a purchase order requires that the raw material supplied must be a USA domestic product. Material suppliers shall have a control plan to address counterfeit parts and notify D&K Industries of any potential counterfeit parts that may affect an order.

XVII. Calibration/Testing Suppliers

Calibration/Testing suppliers must furnish calibration/test reports in accordance with the purchase order requirements. The reports shall be traceable to the specific equipment or item for which they are calibrating or testing traceability to NIST and/or other national or international standards.

XVIII. Personnel Awareness

Because D&K Industries' suppliers directly affect the quality of products provided to our customers, our approved suppliers & their relevant personnel shall be aware of their contribution to product conformity & product safety, as well as the importance of ethical business practices.

