

SUPPLIER QUALITY CLAUSES

100– Quality Management System– Supplier shall maintain a Quality Assurance system which will meet the guidelines of ISO 9001:2015, Quality Management Systems –Requirements or AS9100D– Quality Management Systems – Requirements for Aviation, Space, and Defense Organizations. Supplier's Quality System, manufactured products and/or manufacturing processes are subject to periodic verification by AL-TECH or its customers. Verification may take place at supplier's facility and any subcontractor.

101– ITAR Control Laws– The supplier shall control the disclosure of, and access to, all technical data, information, hardware, and other items received under this purchase order in accordance with U.S. export control laws and regulations including, but not limited to, the International Traffic in Arms Regulations (ITAR, 22 CFR 120–130) and the Export Administration Regulations (EAR, 15 CFR Parts 730–774). The Seller shall indemnify AL-TECH for all liabilities, penalties, losses, damages, costs and/or expenses that may be imposed on, or incurred by AL-TECH in connection with any violations of these export control laws and regulations by the Supplier.

102– Certificate of Compliance– The supplier shall furnish a Certificate of Conformance (C of C) with each shipment. The C of C must contain, as a minimum: PO number, name of manufacturer, specification or part number, specification or drawing revision, serial number, lot number or date of manufacture, and signature of the QA representative. A C of C is required to assure items supplied have been processed to the specification required by the drawing and PO. The distributor is required to provide acquisition traceability.

103– Change of Product or Process (Class 1 Only) – In order that AL-TECH can notify their customers, the Supplier shall notify AL-TECH in writing of all Process, Design, Fabrication, Testing, Facilities and Material changes affecting the form, fit, function, reliability or interchangeability of end item specification or drawing requirements. These changes, Class 1, must be evaluated by AL-TECH's customer prior to implementation by the supplier.

104– AL-TECH, AL-TECH's Customer, Government, or Regulatory authorities Right of Access – During performance of this order, the supplier's quality/inspection system, non-proprietary manufacturing processes, inventory control and lot traceability & quality records are subject to review, verification and analysis by an authorized customer, government, or regulatory representatives. The supplier at no additional cost, supply inspection records, and when requested, perform or repeat selected inspections and/or tests which are required by purchase order, drawing, specification, statement of work, or inspection instruction.

105– Flow-down of requirements to Sub-tier Suppliers – Supplier shall flow-down to sub-tier suppliers the applicable requirements in the purchase order, including key characteristics where required.

106– Supplier Data Retention – Supplier will retain all quality records including inspection, test and Certificates of Conformance for at least 7 years after completion of purchase order. Supplier will furnish copies of quality records to AL-TECH, upon request.

107- FOD Prevention – Whenever and/or wherever FOD entrapment or foreign objects can migrate, seller shall maintain a FOD prevention program. Seller's FOD prevention program shall include the review of design and manufacturing processes to identify and eliminate foreign object entrapment areas and paths through which foreign objects can migrate. Seller shall ensure work is accomplished in a manner preventing foreign objects in deliverable items. Seller shall maintain work areas and control tools, parts and materials in a manner sufficient to preclude the risk of FOD incidents. Seller shall document and investigate each FOD incident and ensure elimination of the root cause of each such incident.

Prior to closing inaccessible or obscured areas and compartments during assembly, Seller shall inspect for foreign objects/materials and ensure no FOD remains embedded. Seller shall ensure tooling, jigs, fixtures, and test or handling equipment are maintained in a state of cleanliness and repair sufficient to prevent FOD.

By delivering items to AL-TECH, Seller shall be deemed to have certified to AL-TECH that such items are free from any foreign materials that could result in FOD.

108- Packaging –

a) Package all items per ASTM D 3951 or best generally accepted commercial equivalent.

b) Each purchase order line item must be packaged separately when being shipped in the same box.

c) If one shipping container is used to consolidate more than one Purchase Order, mark the outside of the container with all of the Purchase Order numbers and indicate "Consolidated Shipment". Also indicate same on the packing list. When shipping multiple boxes, they should be marked 1 of 3, 2 of 3, etc.

d) Packing list – Include a separate packing list for each purchase order in all shipments giving our purchase order number, quantity, weight and contents of container. The packing list must be affixed to the outside of the package or container in an easily accessible packing slip envelope and must clearly identify a packing list number and invoice number.

e) All packages or shipping containers must be clearly labeled and marked with special handling, orientation of hazardous material labels or markings as required by United States Government or International Regulations required for safe and lawful transport.

109- Electronic Part Sources and Counterfeit Electronic Part Detection and Avoidance System –

A. This clause is applicable to all Orders. If DFARS 252.246-7007 and DFARS 252.246.7008 are also applicable to this Order, the provisions of paragraphs (a) to (e) of DFARS 252.246-7007, including its definition of "electronic parts," are incorporated in this paragraph by reference and "Contracting Officer" shall mean "Buyer". Seller shall establish and maintain a material authenticity process that ensure the requirements of these clauses or other authenticity requirements in the Order are met. Seller's obligation to substantiate authenticity shall survive Acceptance of and payment for Products delivered under this Order.

B. Seller shall not furnish suspect counterfeit or counterfeit parts to Buyer under this Order. All material delivered under this Order shall be authentic and traceable to the original manufacturer. Seller shall provide authenticity and traceability records to Buyer upon request. Electronic parts shall not be acquired from brokers unless approved in advance in writing by Buyer. Seller shall immediately notify Buyer if Seller cannot provide parts, components, and/or assemblies traceable to the original component manufacture or the original equipment manufacturer. Authorized distributors shall disclose if they are not authorized for the EEE parts they are supplying. Upon receipt of such notification, Buyer reserves the right to terminate this Order at no cost to Buyer or require specific material validation test and inspection protocol requirements to Seller.

C. If suspect counterfeit or counterfeit parts are furnished under this Order and are found in any of the Products delivered hereunder, such items will be impounded by Buyer. Seller shall promptly replace such suspect/counterfeit parts with parts Acceptable to the Buyer. Seller shall be liable for all costs relating to the removal and replacement of said parts, including without limitation Buyer's external and internal costs of removing such suspect/counterfeit parts, or reinserting replacement parts and of any testing or validation necessitated by the reinstallation of Seller's Products after suspect/counterfeit parts have been exchanged. Buyer's remedies described herein shall not be limited by any other clause agreed upon between Buyer and Seller in this Order and are in addition to any remedies Buyer may have at law, equity or otherwise under this Order. At Buyer's request, Seller shall return any removed suspect counterfeit or counterfeit parts to Buyer in order that Buyer may turn such parts over to its U.S. G. customer or further investigation. For purposes of this clause, Seller agrees that any U.S.G. directive/information or GIDEP alert, indicating that such parts are suspect counterfeit, shall be deemed definitive evidence that Seller's Products contain suspect counterfeit parts.

D. Seller agrees to insert the substance of this clause, including this sentence, in any lower tier subcontract.

110- Calibration- The Supplier shall maintain a calibration system in accordance with ANSI/NCSL Z540.3.

111- CyberSecurity Controls- Due to the possibility of Federal Contract Information (FCI) and/or Covered Defense Information (CDI) being transmitted to the supplier or generated by the supplier, by accepting and performing under this Purchase Order unless the Purchase Order is solely for COTS items, the supplier affirms, for all U.S. Governments procurements, that it complies with the following Federal Regulations, in effect on the date of this procurement award: FAR 52.204-21 and DFARS 252.204-7012.

112- Supplier Standards of Business Conduct- Seller shall ensure that its employees are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

113- Conflict Minerals- If Supplier is providing products under this Purchase Order, Supplier shall use commercially reasonable efforts to:

- a) identify whether such products contain tin, tantalum, gold or tungsten;
 - b) determine whether any such minerals originated in covered countries, as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and
 - c) perform appropriate due diligence on its supply chain in support of Buyer's obligations under the Act.
- In addition, Supplier shall, as soon as reasonably practicable following the completion of the calendar year, provide a completed Conflict Minerals Reporting Template, using the form found at <http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template/>.

114-ESD- Supplier shall assure that product is handled in accordance with ANSI/ESD S20.20 (if applicable) prior to packaging. Electronic/optical devices are required to be packaged in ESD protective material only.

115- Corrective Action Request- When a quality problem exists with any Supplier item, AL-TECH may forward a "Corrective Action Request" to the Supplier requiring timely response that shall include the following information: Immediate Action to Correct deficiency; Indicate if Containment is required and explain; Identify whether any other deliverable part number or product may have same deficiency;

Identify Root Cause utilizing tools such as fishbone diagram, 5-Why's; Root Cause Corrective Action taken to prevent recurrence.

116- Compliance with Laws– Supplier shall comply with the requirements of 41 CFR 60–1.4(a). This regulation applies to all Orders regardless of value of the Order, and Supplier shall flow this clause to all lower tier suppliers. This regulation prohibits discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin.

117- Notification of Status Changes– Seller shall provide written notification to Buyer prior to making any changes to Seller's tooling facilities, materials, or processes, and/or Seller's shall provide written notification to Buyer upon becoming aware of any such changes by Seller's Subcontractor's at any tier, that could affect Seller's performance under this order. This requirement includes changes to fabrication, assembly, handling, inspection acceptance, testing, manufacturing location, parts, materials, or suppliers. Seller shall notify Buyer of any pending or contemplated future action to discontinue Products purchased pursuant to this Order and shall allow Buyer to submit a forecast of expected annual usage prior to Seller finalizing its decision to discontinue the Products. Seller shall provide Buyer with a "Last Time Buy Notice" at least twelve (12) months prior to the actual discontinuance. Seller shall extend opportunities to Buyer to place last time buys of such products with deliveries not to exceed one hundred eighty (180) days after the last time buy date. Seller shall flow down to Subcontractor(s) the requirements of this Clause and all other applicable flow down provisions.

118-C. Prohibition Against providing Certain Telecommunications and Video Surveillance Services of Equipment

1. Definitions as used in this Clause – i. "Covered Article" means any Product or Service that a) is produced by a Covered Entity; b) Includes any product or service produced in whole or in part by a Covered Entity; or c) Contains components using any product produced in whole or in part by a Covered Entity. ii. "Covered Entity" means a) Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); b) any entity designated in accordance with Section 899(f)(3)(D) of the National Defense Authorization Act of 2019; and c) any successor entity to any or all of these entities;

2. Prohibition. The Seller shall not deliver any Covered Article to Buyer under this Order.

3. Reporting Requirement. In the event, notwithstanding the above prohibition, that the Seller subsequently determines that A Covered Article was provided to the Buyer during performance of this order or the Seller was notified of such by a supplier at any tier or any other source of the same, the Seller shall immediately notify the Buyer, in writing and include the following information; supplier name; brand; model number (Original Equipment Manufacturer (OEM) number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

Within 10 business days of submitting such notification, Seller shall provide any further available information about mitigation actions undertaken or recommended, including the efforts it undertook to prevent use or submission of a Covered Article, any reasons that led to the use or submission of the Covered Article, and any additional efforts that will be incorporated to prevent future use or submission of the Covered Article(s).

4. Breach of any of the foregoing provisions of subparagraphs 1–3 of this clause by Seller shall be considered an irreparable material breach of this Order and shall entitle Buyer to terminate this Order

immediately without compensation to Seller. Seller will insert the substance of this clause, including this paragraph 4, in any lower tier subcontract.

119– Release of Information and Advertising –

A. Except as required by law, Seller shall not release to anyone outside Seller's organization any information, or confirmation or denial of same, with respect to this Order or the subject matter hereof without the prior written approval of Buyer. Request for approval shall be made at least fifteen (15) days before the proposed date for release and shall identify the specific information to be released, the medium to be used, and the purpose for the release. Additionally, Seller shall not use the name "Northrop Grumman" or any other Buyer trade name, any Products, parts thereof or replicas of Products, or in any other way identify Buyer in any advertisement, display, news release, or other disclosure without Buyer's prior written consent. The Parties agree that in the event a news release is so approved and made, such news will recognize Buyer and Seller.

B. Seller agrees to insert the substance of this clause, including this sentence, in any lower tier subcontract. Seller shall submit requests for authorization to the Buyer.

120– Anti-Trafficking in Persons –

A. Seller is prohibited from engaging in activities that support or promote trafficking in person, including but not limited to, any of the following:

1. Trafficking in persons, including, but not limited to the following:
 - a. sex trafficking; or
 - b. the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, debt bondage, or slavery.
2. The procurement of a commercial sex act;
3. The use of forced labor in the performance of company business;
4. The use of misleading or fraudulent recruitment activities;
5. Charging employees recruitment fees;
6. Failing to pay for the return transportation at the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working;
7. Providing or arranging housing that fails to meet the host country housing and safety standards; or
8. If required, failing to provide an employment contract, recruitment agreement, or similar work document in writing, in the individual's native language and prior to the individual departing from his or her country of origin.

B. Seller represents and warrants that it shall abide by and comply with the requirements of this clause. Further, Seller shall require its employees, agents, contract labor and subcontractors to abide by and comply with the requirements of this clause.

C. Buyer or its Authorized Representatives may, at any time, audit all pertinent books, records, work Sites, offices and documentation of Seller in order to verify compliance with this clause. Seller will, in all of its lower-tier subcontracts and contracts relating to this or any other Buyer Order with Seller, include provisions which secure for Buyer all of the rights and protections provided for within this clause.

D. Seller acknowledges that if Seller or any of its employees, agents, or contract labor engages in any of the prohibited activities in this clause, this Order is subject to termination.

E. Whenever Seller has knowledge, whether substantiated or not, that any actual or suspected violation of this clause has occurred, Seller shall immediately give written notice to Buyer's Authorized Representative and provide all relevant information including, but not limited to, the nature of the actual or suspected violation.

F. Seller shall provide its full cooperation during any subsequent investigation of the actual or suspected violation by the Buyer, Buyer's representative, or cognizant government agency. Seller's cooperation shall include, but not be limited to, permitting inspection of its work sites, offices, and documentation, as necessary to support any investigation.

G. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier Subcontract or labor contract.

200– Shelf-life Labeling– Materials shall be provided having at least 75% of original shelf-life remaining. Documentation detailing the date of manufacture, recommended storage condition and shelf-life expiration shall be provided.

201– First Article Inspection– Supplier shall perform a complete first article inspection to applicable drawings, specifications, technical instructions, processing tooling, inspection and test equipment in accordance with the guidelines below to assure the product is compliant with the requirements of the Purchase Order.

a) FAI applies to one piece from the first production run, unless otherwise set forth in the Purchase Order or through waiver by quality assurance.

b) Supplier is responsible for determining the method of performing FAI and shall use a form that contains all required information as specified in SAE AS9102.

c) The FAI requirement, once invoked, shall continue to apply even after initial compliance. Any or all of the following events requires re-accomplishment of a full, or a delta/partial FAI for affected characteristics: (note: if none of the following conditions are applicable at the time of product delivery, first article inspection is not required.)

1. A change in design affecting form, fit, or function of the part.

2. A change in manufacturing source(s), processes, assembly line, inspection method(s), location, tooling or materials.

3. A change in numerical control –program or translation to another media.

4. A natural or man-made occurrence which may adversely affect the manufacturing process.

5. All repeat builds on production parts when more than two years has elapsed (or otherwise directed in the purchase order) since the last production item was produced.

6. When required as part of corrective action for a part number with repetitive rejection history.

d) Supplier shall segregate and identify the FAI unit. The FAI report is to accompany the FAI unit.

e) Supplier shall assure that discrepancies and non-conformances, if any, discovered during the FAI are documented and dispositioned by the appropriate material review board (MRB) actions. (Supplier's MRB for supplier designed and Northrop Grumman MRB for Northrop Grumman design). Supplier rejection documentation, supplier's/Northrop Grumman dispositions, and supplier corrective action shall be part of the FAI package. The supplier shall re-do a FAI for those affected characteristics.

202– Special Processes– Supplier shall use AL-TECH's customer-designated or approved sources for special processes that are used in the manufacture of parts contained in the Purchase Order. Examples include but are not limited to plating, painting, welding, heat treatment, brazing and any other processes where the results are not obvious in the post processed part or material. Certification for such processes shall be provided.

203– Hazardous Materials – In order to ensure chemical safety in the workplace, information about the identities and hazards of the chemicals must be available and understandable to workers.

Suppliers/manufacturers of chemical materials are required to provide a label that includes a harmonized signal word, pictogram, and hazard statement for each hazard class and category. Precautionary statements must also be provided. Safety Data Sheets (SDS) are required to be provided with the first shipment and any time there is a revision to the SDS.

204– Certificate of Calibration– A Certificate of Calibration traceable to NIST standards must be supplied for each item delivered on this order. Each certificate, as a minimum, shall identify each item by serial number, applicable standard(s) used, measured results, temperature and humidity, and any adjustments that were made. If the item is being recalibrated, the as received condition must be identified as passing or failing.