



SUPPLIER QUALITY ASSURANCE REQUIREMENTS

FORM QD0004

1. Quality Management System

The seller shall have a Quality Management System that complies with ISO 9001, AS9100, or AS9120 (as applicable). Independent certification/registration to those standards is not required unless specified by Custom Electronics, Inc. (CEI). As part of the Quality Management System, supplier must ensure that their personnel are aware of their contribution to product or service conformity, product safety, and the importance of ethical behavior.

Sellers that obtain third party certification/registration to those standards shall forward a copy of the approval certificate to CEI, including all renewals and/or updates. Sellers who subsequently change certification/registration bodies (CRB), lose registration status, or are put on notice of losing registration status, shall notify CEI's procuring organization within three days of receiving such notice from its CRB.

Upon due notice, CEI reserves the right to perform an on-site survey of the seller's system at any time during the duration of the Purchase Order. Failure of the seller to maintain an adequate quality management system may be cause to remove the supplier from the Custom Electronics, Inc. Approved Supplier Listing.

2. Material Review Board Authority and Corrective Actions

The supplier has no authority to disposition any non-conforming material when the non-conformances are for visual, mechanical and test parameters/characteristics defined by CEI and/or Government Specifications. Only formal M.R.B. at CEI can accept these non-conformances. Supplier must notify CEI immediately of any rejection that will affect the scheduled delivery of product. **CEI shall have the right to initiate supplier corrective actions for non-conformances of delivered parts. Supplier shall assist in corrective action investigations as applicable.**

3. Certificate Of Conformance

The seller shall supply full supply chain traceability including copies of Electrical, Electronic, and Electromechanical (EEE) part Manufacturer Certificates of Conformance (C of C). The C of C shall state that the items were produced from materials on which the seller has available for examination, specific data or other objective evidence of conformance to applicable specifications. The certificate must contain the Manufacturer's name and address; CEI's Part number and Revision (as applicable); Batch identification for the item(s) such as date codes, lot codes, serializations; and signature or stamp and date with the title of seller's authorized personnel signing the certificate.

4. Record Retention

The Supplier shall retain all records needed to show conformance to Purchase Order requirements for each shipment. Records shall remain legible, readily identifiable and retrievable for a period of 10 years after the date of the completion of this Purchase Order. If the Seller is a distributor of the item(s) in this Purchase Order, the Seller shall require the same documentation from the original manufacturer of the item(s). The Seller shall also flow down this requirement to the manufacturer. At the end of the retention period, the seller shall receive CEI's approval prior to destroying / disposing of any record.

5. Chemical And Physical Test Reports (For Raw Material)

Each shipment must be accompanied by chemical and/or physical test report(s) identifiable with materials submitted. The report(s) must contain the signature and title of the authorized representative of the agency performing the test, and must assure conformance to specification requirements.

6. Flow Down Of Quality Requirements To Supplier And Sub-Tier Suppliers

Suppliers shall ensure all customer, statutory, and regulatory requirements are met. The supplier shall also flow down to their suppliers, all applicable requirements of this document.

7. Mercury Contamination

Materials supplied on this purchase order are required to be free of mercury contamination.

8. Right Of Entry

CEI, our customers, and applicable regulatory authorities reserve the right to inspect, at the source, supplies or services at the supplier's facility. If required by Purchase Order, the supplier shall provide copies of Purchase Orders directly to the Government facility providing oversight.

9. Changes To Design, Materials, Or Processes

Suppliers may not make any changes to processes, products, or services, including changes of their suppliers or location of manufacture, without notifying and obtaining the approval of CEI.

10. ESD Control

If Material on this order is subject to damage by ESD, it must be handled and packaged in accordance with MIL-STD-1686 and/or ANSI/ESD S20.20, and it must be manufactured in accordance with DOD-HDBK-263 guidelines.

11. Solderability

Components/materials supplied on this order which are to be soldered at a higher level of assembly shall be capable of passing a solderability test in accordance with ANSI/J-STD-002.



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12. Preference For Domestic Specialty Metals (Per DFARS 252.225-7008 and DFARS 252.225-7010)

Any special metals used in components delivered on this Purchase Order must have been smelted in the United States, its outlying areas, or a qualifying country listed in DFARS 225.872-1.

13. Prohibition Of Pure Tin

The use of pure tin plate finishes is strictly forbidden. Any tin plating or tin soldering process shall contain no less than 3% lead unless specifically authorized by the Purchase Order or the component/material specification.

14. RoHS

The European Union (EU) has adopted Directive 2011/65/EU on the Restriction of the Use of certain Hazardous Substances, also known as RoHS II, which became effective June 8th, 2011.

Annex II of the Directive was amended on June 4th, 2015 (Directive 2015/863) to add 4 additional substances. The directive restricts the use of ten (10) hazardous materials in the manufacture of various types of electronic and electrical equipment. The ten hazardous substances are as follows: Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent chromium (Cr⁶⁺), Polybrominated biphenyls (PBB), Polybrominated diphenyl ether (PBDE), Bis(2-Ethylhexyl) phthalate (DEHP), Benzyl butyl phthalate (BBP), Dibutyl phthalate (DBP), and Diisobutyl phthalate (DIBP).

CEI manufactures both RoHS compliant and Non-RoHS compliant products and as such we order specific components/materials to meet specific requirements. Unless specifically ordered, CEI does not want the RoHS compliant version of the components/materials.

We appreciate your immediate attention in this matter. If, for some reason, you cannot continue to send us non-RoHS products, please let us know as soon as possible so that we may plan an alternate course of action.

15. REACH

The European Union (EU) has adopted regulation no.1907/2006, also known as the REACH (Registration, Evaluation and Authorization of Chemicals) regulation, which became effective June 1st, 2007.

REACH requires actors in the supply chain to identify the presence of Substances of Very High Concern (SVHC) identified on the Candidate List maintained by ECHA. It is planned that this Candidate List will be updated on a regular basis and at least annually. In accordance with Article 33 of REACH, suppliers of articles must communicate the presence of any Candidate List substances present in the articles at a concentration of >0.1% by weight. ECHA defines an article as an object which during production is given a special shape, surface or design which determines its function to a greater degree than does its chemical composition.

Please review the updated SVHC Candidate List of substances can found at the URL below.

http://echa.europa.eu/chem_data/authorisation_process/candidate_list_table_en.asp

CEI requires that all suppliers understand and comply with REACH. If you have questions regarding the requirements of REACH, please visit the European Chemicals Agency website at http://ec.europa.eu/echa/reach_en.html

16. Conflict Minerals

In July 2010, President Barack Obama signed into law the Wall Street Reform and Consumer Protection Act, also known as the Dodd-Frank Act. Although the focus of the Act is financial market regulation reform, it also imposes new regulation regarding "Conflict Minerals." On August 22, 2012, the Securities and Exchange Commission (SEC), adopted final rules implementing the "conflict minerals" disclosure requirements in Section 1502 of the Dodd-Frank Act, passed in congress in 2010 (see the rules at: <http://www.sec.gov/rules/final/2012/34-67716.pdf>).

CEI requires that all suppliers understand and comply with the reporting requirements regarding Conflict Minerals as stated on CEI's website.

17. Counterfeit Parts Prevention

The seller shall ensure that only new and authentic materials are used in products delivered to CEI. The seller may only purchase parts directly from Original Component Manufacturers (OCMs), OCM authorized (franchised) distributors, or authorized aftermarket manufacturers. Use of product that was not provided by these sources is not authorized unless first approved in writing by CEI. The seller must present compelling support for its request (e.g., OCM documentation that authenticates supply chain traceability of the parts to the OCM), and include in its request all actions to ensure the parts thus procured are authentic/conforming parts. Seller further warrants that OCM acquisition documentation that authenticates traceability of the components to that applicable OCM will be sent with each shipment.

The seller shall maintain a method of item supply chain traceability that ensures tracking of the supply chain back to the OCM (including raw material) of all parts included in assemblies and subassemblies being delivered per this contract. This supply chain traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for the seller and shall include the manufacturer's batch identification for the items(s) such as date codes, lot codes, serializations, or other batch identifications.

If suspect or confirmed fraudulent/counterfeit parts are furnished under this purchase agreement, such items shall be impounded. The seller shall promptly replace such items with items acceptable to CEI and the seller may be liable for all costs relating to the impoundment, removal, and replacement. CEI may turn such items over to the authority having jurisdiction (e.g., Office of Inspector General, Federal Bureau of Investigation, Ministry of Defense Police, HMRC, etc.) for investigation and reserves the right to withhold payment for the items pending the results of the investigation.

Seller shall reference AS6174 **and** AS5553 for Avoidance, Detection, Mitigation and Disposition of Counterfeit parts.