

L.F. Industries, Inc.
6352 Corte Del Abeto, Ste. G
Carlsbad, CA 92011

P U R C H A S E O R D E R R E Q U I R E M E N T S
QUALITY CLAUSES

1.0 CERTIFICATION of CONFORMANCE

Supplier is required to submit a Certificate of Conformance (C of C) with the packing slip (or incorporated into the packing slip) for each shipment of completed material. The Certificate of Conformance must state that the supplier is certifying that "all materials and processes used in the processing and/or fabrication of the subject item(s) conforms to all applicable Purchase Order, drawing, and Specification requirements" and contain the following information:

Supplier name

L.F. Industries, Inc.'s Purchase Order number

Part number and revision

Quantity

The typed or printed (ink only) name and title of the responsible company representative with the authority to affirm the authenticity and accuracy of the information provided on the C of C and the date

The signature of said responsible company representative.

2.0 PROCESS CERTIFICATION

Retain records of process certification for all processes required by the Purchase Order and performed by the supplier or by sub-tier suppliers. Submit documentation to L.F. Industries, Inc. if requested and/or specified on the Purchase Order.

Original or exact copies of certificates are acceptable when:

Written in ink, typed, carbon copy or computer prepared.

Signed by a responsible official of the supplier, in ink, with the name and title of the official printed or typed along with the date.

3.0 MATERIAL CERTIFICATION

Retain records of material certification with actual test results traceable to the lot, batch, block number or heat lot (metals) in accordance with the applicable specification (latest revision applies) engineering drawing and/or L.F. Industries, Inc. Purchase Order. Submit documentation to L.F. Industries, Inc. if requested and/or specified on the Purchase Order.

4.0 PROOF OF DOMESTIC MANUFACTURE

Submit proof of domestic manufacture of material (material must be manufactured in the USA or Canada).

5.0 SOURCE INSPECTION REQUIRED

Supplier is required to notify L.F. Industries, Inc. prior to shipment of order so that inspection can be performed by customer or L.F. Industries, Inc. supplier's facility. Final acceptance of product shall be at L.F. Industries, Inc.

6.0 FIRST ARTICLE INSPECTION REQUIRED

Submit a complete First Article Inspection Report (FAIR) to L.F. Industries, Inc. for inspection and approval prior to proceeding with any further processing and/or production.

The FAIR shall include:

1. Fully processed sample
2. Formal dimensional report
3. Complete certification

Signature, initials or stamp of qualified company representative performing the inspection and the date the inspection was performed.

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7.0 FINAL INSPECTION REQUIRED

Submit a Final Inspection Report (FIR) listing actual dimensions measured. The report must indicate:

Total quantity

Sample size (please identify the sampling plan you are employing)

Quantity accepted

Quantity rejected

Signature, initials or stamp of qualified company representative performing the inspection and the date the inspection was performed

8.0 NOTIFICATION OF NONCONFORMING PRODUCT

Supplier is required to notify L.F. Industries, Inc. in the event that nonconforming product which can't be reworked to specification is produced. Supplier is to obtain L.F. Industries, Inc. approval nonconforming product dispositions.

9.0 TRACEABILITY

Supplier is required to identify each lot with a unique code number for each heat lot number of raw material and/or each batch of items processed together but separately from the total quantity of the order (i.e. - Heat treatment batches, plating batches, etc.).

10.0 APPROVED SOURCES

All special processes must be performed by sources approved by L.F. Industries, Inc. This includes, but is not limited to, the following:

Surface treatments including plating, painting and cleaning, Nondestructive testing or Welding

NOTE: Use of non-approved sources may result in rejection and return of material.

11.0 RETENTION OF QUALITY RECORDS

Supplier is required to maintain documentation pertaining to this order for a minimum of ten (10) years after delivery, unless otherwise directed by the Purchase Order. This documentation must remain on file and available for review by L.F. Industries, Inc., our customer and/or a designated representative or responsible regulator agency for the specified period of time.

12.0 RIGHT OF ENTRY

The supplier shall allow L.F. Industries, Inc., our customer and/or a designated representative or responsible regulator agency, access to any location, including sub-tier suppliers, where operations pursuant to a L.F. Industries, Inc. purchase order are being executed or where there are records stored applicable to product processed for L.F. Industries, Inc.

13.0 SHIPPING

Unless otherwise stated on Purchase Order, supplier shall deliver product to L.F. Industries, Inc. using best method.

14.0 PACKAGING

Supplier shall package product for shipment in keeping with good commercial practice, unless otherwise instructed by Purchase Order requirements. Packaging shall be adequate to preclude damage, loss, or corrosion of product shipped.

Supplier shall:

Identify the outer container or pallet with the L.F. Industries, Inc. Purchase Order number

Identify each individual container with the applicable Part Number and lot number

Include the shipper/pack slip with the order

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15.0 QUALITY SYSTEM REQUIREMENTS

The supplier shall maintain a quality management system that is compliant to AS9100 or comparable system (ISO, TS, etc.), or one which is acceptable to L.F. Industries, Inc.

As a minimum, the supplier shall:

Maintain a calibration control system that allows for the monitoring of all measuring and test equipment used in the execution of L.F. Industries, Inc. Purchase Orders to preclude acceptance of product with instruments that are damaged or not calibrated to a known national standard (e.g. - NIST)

Perform a documented contract review to ensure that the Purchase Order requirements can be met by the supplier, before processing of parts begins

Have a documented procedure for the detection, identification, segregation and disposition of non-conforming product which would prohibit shipment of defective material

Maintain a system to provide suitable tools, equipment and gages to fabricate, process and/or measure/test product for shipment to L.F. Industries, Inc.

Ensure that personnel performing work in support of the execution of this Purchase Order are qualified, through training, education and/or experience, to do so.

16.0 PRODUCT AND/OR PROCESS CHANGES

The supplier is required to notify L.F. Industries, Inc. of any product or process changes and obtain approval prior to implementation of these changes. Obtain L.F. Industries, Inc. approval when using a different: sub tier supplier, manufacturing location, substitute components or a change in processing that may have an effect on L.F. Industries, Inc. product quality.

17.0 STATISTICAL PROCESS CONTROL (SPC)

SPC is required on this Purchase Order for Key Characteristics. If Key Characteristics are not defined by L.F. Industries, Inc. or the drawing, the supplier shall define them. The CPK shall be a minimum of 1.33 unless otherwise indicated on the Purchase Order.

18.0 FLOWDOWN REQUIREMENTS

Supplier must pass on to their sub-tier suppliers all applicable Quality Assurance Provisions (QP) as stipulated on the L.F. Industries, Inc. Purchase Order.

19.0 Counterfeit Parts Prevention

Supplier (component distributors and/or custom assemblers) is hereby notified that the delivery of counterfeit parts is of special concern. If counterfeit parts are furnished under this order or found in any of the custom assembled goods delivered hereunder, such items will be impounded. The supplier shall promptly replace such counterfeit parts with parts acceptable to LF Industries. To further mitigate the possibility of the inadvertent use of counterfeit parts, the supplier shall only purchase components directly from the Original Component Manufacturer (OCM) / Original Equipment Manufacturer (OEM) or through authorized distributors. Procurement through Independent Distributors or Brokers is NOT authorized, unless approved in writing by LF.

20.0 Welding and Non-destructive Testing (NDT) Certification

When welding is part of the drawing or purchase order requirements, the person performing the welding must be currently certified to meet the certification requirements set forth in MIL-STD-22219 and/or AWS D17.1 or any applicable document in effect at the time of purchase order performance.

When non-destructive testing is part of the drawing or purchase order requirements, either explicitly or implicitly stated, the person performing the NDT must currently certified to meet the requirements set forth in MIL-STD-410 (AIA-NAS-410), IDO 9712, or any applicable governing bodies' requirements in effect at the time of the purchase order performance.

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21.0 Cosmetic Critical

When the purchase order specifies the part(s) as cosmetic critical, the part must be free of any defects in appearance. Machined features must be free of scratches, dings, gouges or other aesthetic workmanship issues. Paint and coatings must be uniform in color, free of runs, fisheyes, orange peel or other aesthetic issues.

22.0 AWARENESS:

Ensuring that persons are aware of their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior.

23.0 ADDITIONAL PURCHASE ORDER REQUIREMENTS

As stated on the P.O.

NOTE: It is the supplier's responsibility to verify that they are using the current revision of this document.