

**Reyco Precision Machining, Inc. (Reyco) tracks supplier performance based upon quality, delivery, and provision of required certificates/test reports, as applicable, and maintains supplier ratings accordingly. If suppliers fail to meet Reyco's requirements for quality, delivery, terms and conditions (including those stated herein), Reyco personnel will resolve such issues using means appropriate to the nature and severity of problems encountered. Resolution may involve correction, Corrective Action, or disqualification of suppliers from use, depending on the nature and severity of the issues.**

**To become and remain a supplier to Reyco, please read, and acknowledge, the following Reyco supplier requirements, applicable until further notice:**

- 1: Suppliers are to implement a quality management system if directed by Reyco.
- 2: Suppliers must use customer-designated or approved external providers (suppliers, vendors, service providers, etc.,) (e.g., special processes).
- 3: Suppliers must notify Reyco of nonconforming processes, products, or services and obtain approval for their disposition.
- 4: Suppliers are required to notify Reyco of changes to processes, products, or services including changes of their suppliers or location of manufacture and obtain Reyco's approval.
- 5: Suppliers are required to provide right of access by Reyco management, Reyco's customers, and regulatory authorities to the applicable areas of facilities and to applicable documented information at any level of the supply chain.
- 6: Suppliers are required to provide test specimens for design approval, inspection/verification, investigation, or auditing upon request.
- 7: Suppliers are required to maintain all applicable records for a minimum of seven-years. Once the retention period has expired, hard copy records are to be commercially shredded and electronic records are to be deleted from the supplier's computer systems, including back-up storage.
- 8: Reyco's customers or customer representatives are granted the right to verify at suppliers' premises (and at Reyco's premises) that subcontracted product conforms to specified requirements.
- 9: Suppliers are required to flow down to their suppliers/subcontractors the applicable requirements including Reyco's customer requirements as stated in the purchasing documentation.
- 10: Suppliers will handle and package parts in such a way to prevent FOD or damage during shipment.
- 11: Suppliers need to ensure that their employees are aware of:
  - their contribution to product or service conformity;
  - their contribution to product safety;
  - the importance of ethical behavior.
- 12: Suppliers are responsible to take Corrective Actions when Reyco or Reyco's customers flow down corrective action requirements, in cases when it is determined that suppliers are responsible for root cause. Actions may be documented using Reyco's Action Forms, Reyco's customer's forms, or supplier forms, as appropriate. Suppliers are required to respond to Corrective Action requests in a timely manner. Corrective Actions must demonstrate cause analysis, action implementation, and verification of action effectiveness. Should actions prove ineffective, alternate actions may be requested, or suppliers may be disqualified for future use.

13: Suppliers of raw materials must prevent the use of raw materials containing conflict minerals per the Dodd-Frank Act, Section 1502.

14: Information Assurance

(a) Information provided by REYCO to SELLER remains the property of REYCO and/or its customers. SELLER shall comply with the terms of any proprietary information agreement with REYCO and comply with all proprietary information markings and restrictive legends applied by REYCO to anything provided hereunder to SELLER. SELLER shall not use any REYCO provided information for any purpose except to perform this Contract and shall not disclose such information to any other parties without the prior written consent of REYCO. SELLER shall maintain data protection processes and systems sufficient to adequately protect REYCO provided information and comply with any law or regulation applicable to such information.

(b) If SELLER becomes aware of any compromise of information used in the performance of this Contract or provided by REYCO to SELLER, its officers, employees, agents, suppliers, or subcontractors (an "Incident"), SELLER shall take appropriate immediate actions to investigate and contain the Incident and any associated risks, including notification within seventy-two (72) hours to REYCO after learning of the Incident. As used in this clause, "compromise" means that information has been exposed to unauthorized access, inadvertent disclosure, known misuse, loss, destruction, or alteration other than as required to perform the Work. SELLER shall provide reasonable cooperation to REYCO in conducting any investigation regarding the nature and scope of any Incident. Any costs incurred in investigating or remedying Incidents shall be borne by SELLER.

(c) Any REYCO provided information identified as proprietary or subject to restrictions on public disclosure by law or regulation shall be encrypted (i) if transmitted via the Internet, or (ii) during electronic storage if potentially accessible by the Internet or otherwise by non-authorized users.

(d) The provisions set forth above are in addition to and do not alter, change or supersede any obligations contained in a proprietary information agreement between the parties.

(e) DFARS 252.204-7012 applies to covered defense information if services required by the supplier include the exchange of export controlled information in any form.

15: Counterfeit Work

Suppliers are required to prevent the use of counterfeit materials and parts.

(a) For purposes of this clause, Work consists of those parts delivered under this Purchase Order that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, misrepresented as acceptable.

(b) SELLER shall not deliver Counterfeit Work to REYCO PRECISION MACHINING, INC. under this Purchase Order.

(c) SELLER shall only purchase products to be delivered or incorporated as Work to REYCO PRECISION MACHINING, INC. directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by REYCO PRECISION MACHINING, INC.

(d) SELLER shall immediately notify REYCO PRECISION MACHINING, INC. with the pertinent facts if SELLER becomes aware or suspects that it has furnished Counterfeit Work. When requested by REYCO

(e) REYCO PRECISION MACHINING, INC., SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

(f) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Purchase Order addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.

(g) In the event that Work delivered under this Purchase Order constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Purchase Order. Notwithstanding any other provision in this Purchase Order, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation REYCO PRECISION MACHINING, INC. costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are In addition to any remedies REYCO PRECISION MACHINING, INC. may have at law, equity or under other provisions of this Purchase Order.

(h) SELLER shall include paragraphs (a) through (e) and this paragraph (g) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to REYCO PRECISION MACHINING, INC.

16: Finally, suppliers of calibration services or calibrated devices are required to provide certificates of calibration bearing traceability to the National Institute of Standards and Technology (NIST).

**The above terms and requirements pertain to each Reyco Purchase Order or purchasing contract; Acknowledgement of receipt of the above terms and requirements will be evidenced by suppliers' acceptance of Reyco's Purchase Orders or purchasing contracts.**

**Received by (Authorized Signature)** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Supplier Name (Company)** \_\_\_\_\_

**Date:** \_\_\_\_\_