

# High Energy Metals, Inc.

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As a Supplier to High Energy Metals Inc. you agree to comply with the Flow Down terms and conditions listed below. These terms and conditions are integral to HEMI's AS9100D Certification and its production of conforming parts.

- 1) Calibration System. All Inspection Measuring & Test Equipment used by the Supplier during in-process and final inspection to make a compliance evaluation shall be calibrated to the national standard.
- 2) Special Processes. Supplier shall provide certifications for all special processes and nondestructive test results performed with each shipment. The certificate shall identify the processor, process used, controlling specification & revision, and the results of test or measurement performed. Supplier used shall be a HEMI and/or Customer approved source for said Processes. These include operations subject to process controls such as: coating, joining, heat treating, cleaning, non- destructive test, etc. The Supplier shall be approved as per above to perform specific required Special Processes, or use Special Process vendors acceptable to HEMI and HEMI's customer.
- 3) Workmanship Quality. Manufactured product shall be free from burrs, and sharp edges.
- 4) Control of Drawings & Specifications. The Supplier shall ensure that the drawings and specification are the relevant revision status specified on the Purchase Order. The Supplier shall comply with any special requirements requested by HEMI regarding the control of drawings and specification i.e. ITAR compliance.
- 5) Limited Shelf-Life Items. Materials with limited shelf life (epoxy, paint, adhesives, etc.) shall indicate the date of manufacture, lot number and applicable specification on the container. The Supplier shall supply life limited product with at least 75% of the life remaining.
- 6) Reporting Discrepancies. Discrepancies, omissions, and the need for clarifications or interpretations of any nature encountered by Supplier in respect of furnished drawings or engineering data will be brought to the attention of HEMI for resolution.
- 7) Quality/Inspection System. Supplier shall maintain a quality/inspection system that will ensure all goods and services conform to contract requirements whether manufactured or processed by Supplier or procured from Sub-Tier Suppliers.
- 8) Changes in Process, Product or Location. Supplier shall notify HEMI of intended or actual changes that may affect the quality of delivered goods and services.
- 9) Certificate of Conformance. Supplier's acceptance of HEMI's purchase order certifies that the materials and processes supplied under the purchase order shall be or have been controlled and inspected and they meet the specified order requirements, referenced specifications and drawings

All products and lots must be clearly identified and labeled and must be traceable.

10) **Counterfeit Parts.** The Supplier shall certify that only new and authentic materials are used in products or goods delivered to HEMI and that the products/goods delivered contain no Counterfeit Parts.

11) **Foreign Object Debris/Damage.** Supplier is required to establish and maintain a Foreign Object Debris/Damage (FOD) prevention program that employs appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, during operations and normal daily tasks

12) **Record Retention.** Supplier shall maintain records of inspections, tests, and process controls called for by this contract. Unless specified elsewhere in contracts or attachments, these documents shall be on file, stored and protected in such a manner that they remain legible, readily identifiable, and readily available.

13) **Supplier Corrective Action.** Supplier shall, on request, provide statements of corrective action on nonconformities or failures of Supplier's goods or services.

14) **Nonconforming Products and Materials.** Supplier shall obtain HEMI's prior written approval with respect to the disposition of any nonconforming products or materials supplied, that does not meet engineering drawing or documents under contract or Purchase Order. In the event that nonconforming materials are present, and the materials are deemed acceptable or useable by the Supplier, it is still the responsibility of the Supplier to inform HEMI so that a determination can be made for the use of said materials.

15) **Packaging and Handling.** As a minimum, the Supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration and physical damage during shipment.

16) **Flowdown to Sub-tier Suppliers.** Suppliers shall flow-down to Sub-Tier Suppliers the AS9100D requirements as required by the purchase order either specifically or by reference.

17) **Ethical Behavior.** Suppliers are vital parts of the conformity of finished parts that contribute to end product and end user safety and rely on ethical behavior or employees.

18) **Confidentiality.** Suppliers shall hold all information received from HEMI in confidence and no third party request for information will be authorized unless approved, in writing, by HEMI.