



SETTING THE EXAMPLE BY  
EXCEEDING THE STANDARD

F-740-010-L

**Supplier Quality Agreement**

---

**General:** The purpose of this agreement is to provide a mutual understanding of key roles and responsibilities to ensure Products and/or Services provided by Supplier conform to specifications and comply with all governing regulations, Isimac corporate policies and requirements. This agreement is applicable to all Products, Materials and/or Services provided by Supplier.

**QMS Compliance:** Suppliers are responsible for compliance to all relevant Quality Clauses and all Isimac's purchase order requirements.

**Flow-Down Requirements:** The external provider is responsible to flow quality clauses and all other applicable customer and regulatory requirements down to their suppliers.

**Conflicts:** In case of any conflict with this document and any other requirements, the order of precedence is as follows:

1. Purchase Order
2. Drawings, Specifications, Regulatory Requirements (Government or Customers) and or Electronic Files
3. This document.

---

**Section A: Approved Suppliers and Facility Access**

---

**A1. Supplier Qualification**

"Customer Directed Suppliers" will be used however they must also be qualified by Isimac as noted below.

All suppliers to Isimac Machine Co. shall be qualified according to Isimac's qualification process defined in our AS9100D ISO 9001-2015 & ISO 13485-2016 Quality Management System. Suppliers may be asked to complete a Supplier Survey and/or successfully pass an onsite survey conducted by Isimac. The Supplier shall allow Isimac access to perform an on-site survey for qualification with the understanding that the Supplier reserves sensitive and proprietary information.

**A2. Evaluation of Competence**

The supplier must maintain a system for evaluation to ensure personnel are adequately trained to perform their job functions and training is documented.

Current good manufacturing practices (cGMP), Good document practices and change control training programs.

**A3. Facility Right of Access**

The supplier shall provide, if required, a US Government, Foreign Government, Commercial Customer, Isimac Quality Assurance staff member appropriate for the specific contract and customer, access to any of the subcontractor's facilities where any work is being performed. The Isimac QA representative shall be afforded unrestricted opportunity to audit, evaluate and verify subcontractor's compliance with the Quality System procedures and to validate product conformance with regards to specifications and requirements.

The subcontractor shall make available for reasonable use by the Isimac QA staff member the equipment necessary for validation purposes.

The subcontractor shall make personnel available for the operation of said equipment if so required.

#### **A4. Communication**

The supplier shall ensure that there is a system in place to facilitate communications regarding service pricing, quality and delivery status.

The Supplier shall notify the Organization if their process could potentially induce residual magnetism. The Organization will decide how to proceed based on the potential severity of the residual magnetism.

---

### **Section B: Quality System**

---

#### **B1. Quality System Compliance**

Supplier compliance and/or certification to AS9100D, ISO 9001-2015, ISO 13485-2016 or equivalent accreditation is preferred, but is not mandatory.

The supplier's quality system at a minimum shall demonstrate adequate process controls to ensure the Supplier can meet the Isimac's Purchase Order requirements.

#### **B2. Suspension of Contract Deliveries**

Evidence of unacceptable Quality Procedures may result in suspension of contract deliveries pending demonstration of appropriate corrective actions.

#### **B3. Record Retention**

The Supplier shall maintain records that provide objective evidence of compliance to the purchase order requirements and/or specifications and shall retain such records for a minimum of 30 years.

---

### **Section C: Nonconforming Material**

---

#### **C1. Nonconforming Materials**

Isimac Machine Co. retains all MRB Authority. Material which fails to meet the requirements and/or specifications of applicable drawings referenced on the Purchase Order shall not be shipped without prior written approval of Isimac Machine.

Use-As-IS and repair dispositions on subject deliverable nonconforming material must be approved by Isimac. A copy of the approval shall be enclosed with each shipment made against the Purchase Order.

#### **C2. Supplier Reporting**

The Supplier shall provide for timely reporting of nonconformities that may affect already delivered product. Notification shall include clear description of the discrepancy, identification of the suspect parts/components (this identification is to include manufacturing dates, serial numbers of applicable, quantity, any and all related pertinent information) and material affected by the deficiency, delivery dates, and any information to the root cause and corrective actions initiated by said supplier to address the defective condition described and to prevent the reoccurrence of the nonconforming condition.

## Section D: Material Preservation, Packaging and Labeling

---

### D1. Packaging/Preservation Not Specified

When specific packaging has not been referenced or defined in the Purchase Order and/or drawing the supplier shall package parts, components, materials, assemblies, etc. in a manner as to prevent damage during shipment and subsequent storage at Isimac.

## Section E: Inspection

---

### E1. Receiving Inspection

Any and all material (i.e. materials (raw stock), parts, components, assemblies) shipped against this Purchase Order is subject to Receiving Inspection at Isimac Machine Co.

## Section F: General Workmanship

---

### F1. General Workmanship

Unless otherwise specified (i.e. drawing requirements, specifications, purchase order) material shipped against this Purchase Order shall be free of dents, gauges, burrs, scratches, sharp edges, foreign matter, or any other evidence of poor workmanship standards that shall create a condition that renders said part unsatisfactory for its intended use.

## Section G: Purchase Order Change Control

---

### G1. PO Change Request

Changes to the Purchase Order that effect the requirements defined in said Purchase Order shall be formally communicated from the supplier to Isimac via a Purchase Order Change Request, and in turn from Isimac to the Supplier via a Purchase Order Change.

## Section H: Source Inspection

---

### H1. Isimac Source Inspection

Isimac Source Inspection is required on this purchase order prior to shipment of product from your plant. Isimac shall be notified a minimum of one week in advance of the time of parts and/or materials is ready for inspection and/or test. In addition to material and/or part submittal, supplier shall submit all supporting documentation (i.e. inspection reports, dimensional data, material certification and test data) to the source inspector.

### H2. Customer Source Inspection

Customer Source Inspection is required on this purchase order prior to shipment from your plant.

Customer shall be notified minimums of one week in advance of the time of parts and/or materials are ready for inspection and/or test.

### H3. Government Source Inspection

Government Source Inspection is required prior to shipment of any item on this purchase order. Upon receipt of this purchase order, promptly furnish a copy of this purchase order to the Government Representative that normally services your facility and arrange source inspection. Contact the Isimac Buyer immediately if you cannot locate a government representative.

## Section I: Certification

---

### **I1. Certification of Conformance**

A certificate of conformance is required stating, "All Purchase Order, Blueprint and/or Specification requirements have been met" and that inspection records, material certifications, and/or special process certifications (when applicable), are on file and available for review.

An authorized agent of the supplier including the agent's title must sign this certification. This certificate must also contain the Purchase Order number, part number and revision level and quantity shipped.

Serialized items shall be identified by serial number and lot-controlled items shall be identified by lot number.

### **I2. Certification of Calibration**

For instruments, gages and measuring standards, electronic or mechanical, new, repaired, reconditioned, or re-calibrated by outside suppliers, a Certificate of Conformance to ANSI/ASQ Z540.1 or ISO 10012, as well as reference traceable standard utilized, is required.

### **I3. Certification of Chemical/Physical Test**

Supplier shall furnish actual results of chemical/physical tests conducted on material submitted. Test reports shall identify applicable material specification and tests conducted and shall include test results and material lot control number.

### **I4. Certification Manufacturing Date**

A certification is required for the shelf life of age/environmental sensitive materials, which states the date of manufacture, the shelf life and date of expiration.

The certification must include the Purchase Order number, part or specification number, lot or batch number of the material and the quantity shipped. It also must be signed by an authorized agent of the company along with the agent's title.

Materials ordered to a prime contractor specification must meet the requirements of that specification.

Distributors may not ship materials with less than 75% of the required shelf life remaining unless specifically authorized by Isimac Machine Co.

### **I5. Certification of Special Processes**

A certification is required with a statement certifying conformance to each special process (i.e. electro polish, welding, plating, painting, brazing, heat treating, chemical films, anodizing, etc.) performed on the materials to the specifications (s) listed on the Purchase Order and/or Customer's Drawing. The signature of an authorized agent of the company performing each special process including the agent's title must appear on the certification. It must also include the Purchase Order number, part number and revision level, serial numbers (if applicable), lot number (if applicable) and quantity shipped.

## Section J: Records and/or Reports

---

### **J1. Record Retention**

You must maintain production and quality-related records for a minimum of 30 years from date of shipment, unless Isimac's customer specifies a longer period. In this case, the retention period shall be noted on said purchase order

## **J2. Test Reports**

Items on this Purchase Order require electrical, mechanical, environmental, functional, or other tests in accordance with Isimac's Customer and/or Government specifications. Suppliers shall furnish test reports containing as a minimum Isimac's Purchase Order Number, Item Number, Item Name, Revision Level, Number of Units Tested, Serial Numbers of Units Tested (if applicable), Test Parameters and Test Results.

---

## **Section K: Special Handling and Packaging**

---

### **K1. Electrostatic Discharge**

Electrostatic Discharge (ESD) handling and package control is required by the specification or drawing on this Purchase Order. The supplier shall have procedures for protection of ESD sensitive devices during all phases of handling, packaging, storage and testing. The supplier's ESD program shall be in accordance with MIL-STD-1686, MIL-HDBK-263, ANSI/ESD-20-20, or an Isimac's Customer approved equivalent.

### **K2. ESD Labeling**

For ESD sensitive devices, label shall be affixed to each package or container identified as "ESD Sensitive".

### **K3. Electronic Component Handling & Packaging**

All electronic component parts shall be packaged such that they are kept from detrimental physical contact with any other component. Isimac's Customer may require exceptions to this, if this is the case these would be specified on the Purchase Order.

### **K4. Electrical & Electronic Components**

Lot Date Code – Electrical and electronic components that have manufacturer lot date code identification shall be packaged to provide segregation of manufacturers and lot date code by quantity to assure traceability can be maintained.

### **K5. Hazardous Material**

For any hazardous material, a material safety data sheet (MSDS) will be required.

---

## **Section L: Inspection and Test**

---

### **L1. First Article Inspection**

When this clause is cited on the purchase order the supplier is required to complete a first article inspection and provide all results to Isimac at the time of shipment, for all AS9100D Purchase Orders the First Article Inspection shall be performed utilizing AS9102 as a guideline:

- a. The first article unit(s) shall be from the initial lot, batch, run or the first 10 units produced from production tooling for this purchase order.
- b. Isimac reserves the right to witness the first article inspection at the supplier's facility.
- c. The first article inspection shall consist of all records and inspection/test data related to build history, failures, repairs, acceptance test results, and other pertinent configuration documentation.

- d. A 100% dimensional, electrical and visual criteria layout (as applicable) on a single first piece shall also be completed.

### **L2. First Piece Inspection**

When this clause is cited on a Purchase Order, the supplier shall provide first piece dimensional inspection data.

The first piece shall be from the initial lot, batch, or run. 100% of the dimensions shall be measured as part of the first piece inspection.

Data sheet shall depict dimension, tolerance, and actual measurement, and be traceable to Isimac's Customer Drawing Part number and revision.

First piece inspection data shall be sent to Isimac with initial purchase order unless otherwise stipulated on said purchase order.

Any revision changes to a drawing that affect any dimensions shall necessitate additional first piece inspection data for an open purchase order.

### **L3. Critical/Key Dimensional Inspection**

When this clause is cited on a Purchase Order, the supplier shall provide critical/key dimension inspection results with each shipment. Critical/Key dimensions shall either be identified on the drawing, or as part of the purchase order notes. Data shall be supplied on 100% of the identified dimensions, to a 1% AQL of the production lot.

### **L4. Inspection and Test Plan**

When this clause is cited on the purchase order, the supplier shall submit an inspection and test plan to Isimac.

**Changes are not allowed to the inspection and test plan without the approval from Isimac.**

The inspection and test plan should include the following:

- a. A flow chart shall include a brief word description of the type of operation, inspection or test performed at the steps provided in the chart.
- b. An identification of the applicable test procedure numbers, process specifications, or other documents utilized in the performance of operations listed.

### **L5. Inspection measuring & test equipment**

Ensure test equipment is routinely calibrated and are traceable to national or international standards.

Test method validations must be completed prior to implementing into production process or production process inspections.

### **L6. Validation Verification**

The supplier shall have a process to review and approve validation master plans, validation strategy, validation protocols and completion reports, at a minimum an Installation Qualification report shall be conducted and as needed an Operational Qualification & Performance Qualification reports. The supplier shall make these reports available to Isimac upon request.

The supplier shall be responsible for the writing of the validation/verification protocols, execution of these protocols and creating the reports.

### Section M: Material Lot Control/Traceability

---

#### M1. Material Lot Control

Material on this Purchase Order requires material lot control and traceability. Manufacturing lots shall be traceable and identified to manufacturing documents. Lot date codes, manufacturing lot numbers, or unique job numbers are acceptable means of identification and must be referenced on certification of compliance and traceable to the supplier's manufacturing documents. Lot date codes shall not exceed three years from date of manufacture. As applicable, for assemblies and subassemblies, lot date codes shall not exceed three years from date of assembly.

### Section N: Change Control & Flow Down

---

#### N1. Change Control

No change of specifications, equipment, materials, manufacturing process that affect fit, form or function can occur to any item on this purchase order without written authorization from Isimac.

#### N2. Flow Down

The supplier shall include all necessary flow down Purchase Order and quality requirements in its purchase order to its sub-tier suppliers to ensure conformity with all design, manufacturing, inspection, testing and documentation requirements under this Purchase Order. In addition, the Supplier shall notify the Buyer in writing five (5) business days in the event of **changes** to any of the following pertaining either to the Supplier or to the supplier's Key sub-tier suppliers:

1. Senior company management
2. Company ownership
3. Quality system status
4. Controlled process certification status
5. Comprehensive revision to its quality manual and/or procedures
6. Processes, products, or services, including change of external providers or location of office or manufacturing facilities.

Failure to provide notification may result in termination of the Purchase Order for cause at the sole discretion of the Buyer.

### Section O: Approved Sources

---

#### O1. Special Processes Approved Sources

Some special processes such as heat treatment, plating, etc. must be performed by an Isimac approved processor, NADCAP approved processor, or use a Customer approved external provider. All Special processors must maintain an FOD program for prevention, detection and removal of foreign objects and substances.

#### O2. Counterfeit Part Prevention

As per AS9100D (DOD DFAR 7007) regulatory requirements, the supply chain must implement controls to mitigate the threat of counterfeit and fraudulent product.

Counterfeit product is defined by AS9100D as “An unauthorized copy, imitation, substitute, or modified part, which is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer”.

NOTE: Examples of a counterfeit part (e.g., material, part, component) can include, but are not limited to, the false identification of marking or labeling, grade, serial number, date code, documentation, or performance characteristics.”

At a minimum the supplier shall,

- Ensure parts are sourced from original manufacturers (OEM), authorized distributors, or other approved sources that can provide traceability of parts and components to their original manufacturers;
- Implement verification and test methods to detect counterfeit product at the source and receiving;
- Monitor counterfeit product reporting from external sources, i.e. access to databases, information letters from OEMs.

Key factors leading to the greatest counterfeiting risks include;

- High-volume, low-cost products
- Products in high demand
- Products with large market share
- Purchasing components and materials based on price alone
- Products sold on the internet
- Complex, loosely controlled supply and distribution chains

---

## **Section P: Ethics, Social and Environmental Responsibilities**

---

### **Social Responsibilities**

- P1** Support and respect the protection of internationally proclaimed human rights, including but not exclusively the United Nations Universal Declaration of Human Rights (<http://www.un.org/en/documents/udhr>).
- P2** Make sure that they are not complicit in human rights abuses, slavery and human trafficking.
- P3** Respect the freedom of association and the effective recognition of the right to collective bargaining.
- P4** Eliminate all forms of forced or compulsory labor, as defined in Convention 29 (Forced Labor), article 2, of the International Labor Organization (<http://www.ilo.org/>).
- P5** Never use child labor, including but not exclusively by complying with the Conventions 138 (Minimum Age) and 182 (Worst Forms of Child Labor) of the International Labor Organization (<http://www.ilo.org/>).



- P6** Eliminate discrimination in employment and occupation, as defined in Convention 111 (Discrimination in Employment and Occupation), article 1, of the International Labor Organization (<http://www.ilo.org/>).
- P7** Comply with applicable regulations related to wages, working time, working conditions, occupational safety and health, protective equipment, physically demanding work and medical surveillance.
- P8** Abide by the requirements of 41 CFR 60-1.4(a), 6-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibits discrimination against all individuals based on their race, color, religion, sex or national origin.  
These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.
- P9** Ensure that persons are aware of:
- Their contribution to product or service conformity
  - Their contribution to product safety
  - The importance to ethical behavior
- P10** Ensure that all your suppliers and subcontractors share the principles stated above.

**Environmental Responsibility**

- P010** Recognize that environmental responsibility is integral to manufacturing world class products.
- P011** Hold all required environmental permits and keep them up to date.
- P012** Monitor and minimize the plant releases to air, water and soil and give preference to recycling over disposal whenever safe and economically possible.
- P013** Ensure safe treatment of hazardous production waste and adhere to all laws prohibiting the use of specific substances.  
Communicate to Isimac all necessary information concerning the presence of hazardous substances (according to international chemical management regulations) and of Substances of Very High Concern (<http://echa.europa.eu/web/guest/candidate-list-table>) according to REACH (EC/1907/2006) at more than 0.1% (w/w) in the components supplied.  
Ensure that all your Suppliers and Subcontractors share the principles stated above.

***Dear Supplier(s),***

***We consider our Suppliers our partners in our efforts to supply the highest quality products to our customers.***

***Regulatory requirements require Isimac to maintain an agreement that Suppliers notify Isimac of changes in the process of products or services so that Isimac may determine whether changes may affect the quality of a finished product.***

***As such it is the policy of Isimac to require all Suppliers to obtain written approval from us prior to initiating changes related to the process used in our products, changes in facility location and change of equipment.***

***We thank you for your assistance in fulfilling your obligation to us. Please be advised that this quality agreement is part of all Isimac's purchase orders. Acceptance of the purchase order constitutes acceptance of this quality agreement.***

**Brian Graeff  
Isimac  
Corporate Officer  
Procurement Manager**