PEKO Flowdowns-Medical 7-19-24

Counterfeit Material

All material delivered under this purchase order shall be authentic and traceable to the original manufacturer. Seller shall provide authenticity and traceability records to Buyer with each delivery.

Seller shall immediately notify Buyer if Seller cannot provide electronic parts, components, and/or assemblies traceable to the original component manufacturer (OCM)/the original equipment manufacturer (OEM). Upon receipt of such notification, Buyer reserves the right to terminate the purchase order at no cost to

Buyer or provide specific material validation test and inspection protocol requirements. In the event that Seller delivers items that are determined not to be authentic, Seller shall take corrective action as required by the terms of this purchase order. Seller shall establish and maintain a material authenticity process which ensures the requirements of this clause are met. Seller's obligation to substantiate authenticity shall survive acceptance of and payment for supplies delivered under this purchase order.

FIRST ARTICLE INSPECTION

The supplier shall perform a first article inspection for this Part Number if any of the following conditions occur:

a) First time product is manufactured for production.

b) A change in the design affecting fit, form, function and/or interchangeability of the part.

c) A change in manufacturing source(s), process(es), inspection method(s), acceptance criteria, location of manufacture, tooling or materials.

d) A change in numerical control program or translation to another media that is utilized to produce end item parts.

e) A natural or man-made event, which may adversely affect the manufacturing process.

f) A lapse in production for two years, or as specified by the customer.

g) For MOTS (Modified Off-the-Shelf) or AID (Altered Item Drawing) items, FAI of the modified portion at a minimum is required.

NOTE: A first article inspection report is not required for rework/repair purchase orders or for parts or material conforming to an established industry or national authority published specification, which has all characteristics identified by text description (i.e., COTS and Mil-Spec parts).

The inspection shall include, but not be limited to a complete documented verification of all dimensions, features, notes, and specifications identified in the contract.

For all product changes, a delta FAI of the changes is acceptable. Additionally, the supplier shall be responsible for confirmation that all operations not performed in the supplier's facility meet applicable requirements.

Supplier is responsible for notifying PEKO of changes in the purchased product prior to implementation of any changes that affect the ability of the purchased product to meet specified purchase requirements.

The supplier may utilize the most current version of AS9102 for their first article inspection report, utilizing AS9102 Forms 1, 2, and 3 or equivalent forms containing all Required and Conditionally Required information as outlined in AS9102. The FAI form must be signed and dated by the person who prepared it.

The supplier shall submit the FAI report and copies of the supporting documentation* as evidence of conformance to this requirement with the first shipment on the purchase order as required above. When requested, the supplier shall also provide a copy of inspection performed to verify conformance of subsequent build lots/shipments. The supplier shall retain the First Article Inspection Report for a minimum of 10 years.

*Supporting documentation may include certificates of conformance for raw materials and special processes, drawings, and test reports.

Conflict Minerals

1. Seller represents that, regardless of whether Seller is publicly traded or not, Seller does not procure Conflict Minerals from Covered Countries, as those terms are defined by and consistent with the Securities and Exchange Commission's final rule on Conflict Minerals, 17 CFR Parts 240 and 249(b), promulgated pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. (the "Rule").
2. Seller represents and warrants that all products that will be delivered to PEKO Precision Products by Seller under this Order are Democratic Republic of the Congo (DRC) Conflict Free, as defined by and consistent with the Rule.
3. Seller agrees that, if required by the Rule, it has made, and will continue to make, good faith inquiries reasonably designed to determine whether any Conflict Mineral that is included in any product delivered to PEKO Precision Products pursuant to this Order originated in the DRC or an Adjoining Country, or is from Recycled or Scrap Sources, as defined in the Rule. Seller further agrees that, if required by the Rule, it has performed, and will continue to perform, due diligence on the source and chain of custody of any Conflict Mineral that is included in any product delivered to PEKO Precision Products pursuant to this Order, and that such due diligence conforms to a nationally or internationally recognized due diligence framework, if such a framework is available for the Conflict Mineral. Seller agrees that all inquiries and diligence performed shall be consistent with the requirements of the Rule.

4. Seller agrees that it shall require its own subcontractors and suppliers (at any tier in the supply chain for a product delivered to PEKO Precision Products under this Order) to furnish information to Seller necessary to support Seller's obligations under this Section 34.
5. Seller will maintain records reviewable by PEKO Precision Products to support its certifications above.
6. Seller acknowledges that PEKO Precision Products may utilize and disclose Conflict Minerals information provided by Seller in order to satisfy its disclosure obligations under the Rule.
7. If PEKO Precision Products determines that any certification made by Seller under this Section is inaccurate or incomplete in any respect, then PEKO Precision Products may terminate this Order.

Right of Access
Seller grants the right of access to PEKO Precision Products, their customers and/or regulatory authorities, to all facilities involved in this order and to all applicable records.

REACH and RoHS Directives
Unless otherwise specified by design, items on this purchase order are to be manufactured in conformance to EU RoHs3 directive 2015-863/EU and EU REACH Annex XIV and Annex XVII.

Record Retention
Quality Records are to be retained for 10 years (from date of PO) upon which time the supplier is responsible for notifying PEKO Precision for record disposition.

Hardware Traceability

Hardware delivered under this purchase order shall be traceable to the raw material used for manufacture by:

1. Source (lot, batch, heat number)
2. Material Type
3. Specification
4. Actual chemical and physical properties
5. Records of acceptance

Supplier shall retain this traceability information for each shipment against this purchase order for a period of ten (10) years after final delivery of the items specified herein.

EQUAL OPPORTUNITY

This contractor and subcontractor shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(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 prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, national origin, and for inquiring about, discussing, or disclosing compensation. Moreover, 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, sexual orientation, gender identity, national origin, disability, or veteran status.