1. CERTIFICATION OF CONFORMANCE

When required, the **supplier** will certify that any materials, processed and finished items supplied under this order were inspected and/or tested and conform to the requirements of this order. These certificates of conformance must accompany each shipment. Each document is to be signed by a representative of the **supplier**'s company and reference **CMD's** purchase order, part number, serial number, lot number and item nomenclature as applicable.

2. SELLER'S SUBCONTRACTING / OUTSOURCING

The **supplier** is required to flow down to sub-tier **suppliers** the applicable requirements in the purchasing documents, including key characteristics where required, unless contractual requirements prohibit **supplier** subcontracting / outsourcing without prior approval.

3. SUPPLIER CHANGES

The **supplier** is obligated to give notification of changes to their product, process or service that would affect product requirements, including regulatory requirements. This includes changes to their location of manufacture. **CMD** must be notified of and prior to such a change. **CMD** and/or its customers will evaluate whether the changes have an effect on the quality of the finished product and whether they are acceptable or not. This evaluation will be documented and records maintained in the **CMD** Engineering job folder / files.

4. WORKMANSHIP

Product order must be handled, stored, and maintained according to good practices and general workmanship standards. For machined product, any items must be handled to avoid blemishes. Items are to be packed in containers, or separated individually in keeping with good commercial practices to preclude any damage being incurred during shipping.

5. ONSITE AUDITS / INSPECTION

CMD and/or the **CMD's** customer representatives and/or the Department of Energy (DOE) and/or any authorized representatives of the government of the United States, reserves the right to evaluate the adequacy of the **supplier**'s quality program through on-site audits, as well as perform product verification at **supplier's** premises including any level of the supply chain. This includes access to applicable product documented information / records.

CMD will state the intended verification / inspection and validation arrangements including method of product release in the purchasing information. This may include obtaining objective evidence of the quality of the product from suppliers (I.e., accompanying documentation, certificate of conformity, test reports, statistical records, process control records, and/or test specimens.

6. CONFIDENTIAL INFORMATION

The **supplier** will not disclose to any person outside of its employ, or use for any purpose other than to fulfill its obligations under this order, which has been disclosed to **supplier** by **CMD**. The **supplier** will safeguard such information at least to the same extent as with **supplier's** proprietary information. The **supplier** may be required to follow ITAR security requirements.

7. PRODUCT NONCONFORMANCE / RECALL

Any **CMD** supplied product that becomes nonconforming must to be immediately identified by the **supplier** and communicated to **CMD**. Such product cannot be shipped without review and a documented approval (I.e., Email) from **CMD**. **CMD** reserves the right to issue the **supplier** a corrective action when a **supplier** does not meet **CMD's** requirements. The **supplier** then has 15 working days to respond to corrective action or **CMD** can withhold payment for services. **CMD** has the right to return defective product at **supplier**'s expense. There must be a product recall method established at the **supplier**'s premises as part of product control, confirming lot traceability if necessary.

8. PRODUCT RECORDS

A method must be established by the **supplier** for the retention of any records of processes, inspections, calibration certificates, tests and / or evaluations performed during production and acceptance of supplier's product. Records must be available for review by CMD, their customer, and / or regulatory authorities. Records must be maintained for a minimum of 7 years or longer if determined by CMD and communicated to the Supplier.

9. SHELF LIFE:

If product has a shelf life, it must be received with at least 75% remaining.

10. QUALITY MANAGEMENT SYSTEM:

Suppliers are encouraged to but not required to establish and maintain a certified quality management system to control products and processes to the ISO 9001 standard requirements, including preventing the use of Counterfeit Parts.

11. DELEGATION OF AUTHORITY:

When the organization delegates verification activities to the external provider, the scope and requirements for delegation shall be defined and a register of delegations shall be maintained. The organization shall periodically monitor the external provider's delegated verification activities. When external provider test reports are utilized to verify externally provided products, the organization shall implement a process to evaluate the data in the test reports to confirm that the product meets requirements. When a customer or organization has identified raw material as a significant operation risk, (e.g., critical items), the organization shall implement a process to validate the accuracy of test reports.

12. SUPPLIERS PRODUCT CONFORMITY, SAFETY AND ETHICAL BEHAVIOR:

Suppliers need to be aware of the importance they contribute to overall product conformity and safety. CMD also requires that **suppliers** maintain ethical behavior at all times.