

## HQ 1 Basic Quality Requirements

- a. The Supplier shall establish, document implement and maintain a quality management system and continually improve its effectiveness in accordance with ISO 9001, AS9100 or similar quality standard. If the Supplier is accredited to ISO9001 and/or AS9100 and subsequently loses accreditation status, the Supplier shall notify Hydraflow within three days of receiving such notice from its Certification/Registration Body.
- b. The Supplier shall provide a Certificate of Conformance (C of C) with each shipment. The certificate shall state that the material has been manufactured and inspected in conformance with purchase order requirements. Statements such as “To the best of my knowledge” and the title “Authorized Signature” are not acceptable. The certificate must include the name or signature and title of the Supplier representative certifying it. All certificates shall be written in English.
- c. The Supplier shall maintain records of inspection, tests, and other Quality Assurance activities in accordance with applicable portions of ISO 9001, AS9100 or similar quality management system standard. Records shall provide objective evidence of the Quality Assurance operations performed and the results obtained. Such records shall be made available to Hydraflow when requested. Records shall be maintained for at least 10 years from the date of shipment to Hydraflow; exclusions from this requirement may be made if all pertinent supplier records are submitted to and maintained by Hydraflow.
- d. The Supplier performing any portion of the production, inspection or test processes shall maintain an inspection system in accordance with applicable portions of ISO 9001, AS9100 or similar quality management system standard. The Supplier is responsible for initiation of prompt response to Hydraflow non-conforming reports, corrective action requests and implementation of required corrective actions. The Supplier shall comply with the AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of the Acceptance Authority Media (AAM) requirements. The Supplier shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System. The Supplier shall, upon Hydraflow’s request, be able to demonstrate evidence of communication to its employees and to its supply chain; use of AAM must be considered as a personal warranty of compliance and conformity. The Supplier shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The areas of focus of this assessment shall include but not limited to:
  - 1) Authority Media Application (AMA) Errors, i.e., omission, typos, legibility, etc.,
  - 2) AMA Untimely Use, i.e., documentation is not completed as planned, “stamp/sign as you go”, etc.,
  - 3) AMA Misrepresentation, i.e., uncertified personnel, falsification of documentation, work not performed as planned, etc.,
  - 4) AMA Training Deficiencies, i.e., ethics, culture awareness, proper use of authority media, etc.
- e. The Supplier shall control all copies of Hydraflow drawings that are in their possession. Hydraflow drawings may be retained by the Supplier as a controlled record of work performed. If the drawing is retained as evidence of conformity to Hydraflow requirements, the Supplier must prevent unintended use of the drawing. Control can be relinquished by destroying the drawing where it is rendered completely unreadable or returning all copies of the drawing to Hydraflow.

- f. The Supplier shall notify Hydraflow of changes of business and/or manufacturing location, changes in product definition and/or process that affect product quality and, where required, obtain Hydraflow approval.
- g. If the Supplier uses sub-tier suppliers for processing or any services on Hydraflow parts, the Supplier must flow down the requirements of Hydraflow's purchase order to the supply chain, including key characteristics where required.
- h. Hydraflow, its Customers, the government and regulatory agencies shall be granted right of access to the Supplier's facility at any level of the supply chain, involved in the purchase order and to all applicable records and to conduct audits, inspections or evaluations at any time in order to verify the compliance with supplier's internal procedures and Hydraflow's purchase order requirements.
- i. The Supplier shall have a system to control, segregate and identify Hydraflow supplied material and/or tooling. Substitution or replacement of Hydraflow material is prohibited unless authorized, in writing, by the Hydraflow Buyer. Any loss, damage or unsatisfactory conditions to Hydraflow tooling must be promptly communicated to Hydraflow.
- j. The Supplier shall not exercise discrepant material review authority on parts and/or material manufactured to Hydraflow drawings and specifications. The Supplier shall notify Hydraflow of all nonconformities for disposition, review and approval.
- k. The Supplier shall maintain a register of monitoring and measuring equipment requiring calibration used to fulfill the requirements of Hydraflow's purchase order. The Supplier's calibration system shall be based on ANSI/NCSL Z540-1 or equivalent specifications.
- l. If the Supplier uses sampling techniques instead of 100% inspection, the sampling procedures must comply with ANSI/ASQC Z1.4 or equivalent. The number of defects allowed from any sample size must be zero (C=0).
- m. The Supplier shall have a system in place to provide for handling and storage of products to protect and prevent from loss, substitution or damage such as nicks, scratches and deformation; exposure to foreign object debris (FOD), contamination, corrosion or exposure to environments that cause deterioration of the product. Special attention shall be given to sensitive products requiring special handling such as shelf life and temperature control, hazardous materials requiring safety labels in accordance with applicable Material Safety Data Sheets (MSDS).
- n. Hydraflow tooling used in the fabrication of product must be maintained in a clean and orderly manner. Any discrepancies or damage to Hydraflow tooling must be reported immediately to the Hydraflow Buyer.
- o. The supplier that provides material shall develop and implement a Counterfeit Material/Parts Prevention and Control program in accordance with AS 6174 to supply only authentic and conforming material acquired from legally authorized sources with plans to mitigate risk, control, disposition and reporting counterfeit material. The supplier shall flow this requirement down to their supply chain.
- p. The Supplier shall guarantee compliance with applicable laws, statutes, rules, regulations or orders of the jurisdiction where Supplier performs work under this order, as well as all laws of the United States of America that may be applicable, which includes, but is not limited to, laws relating to basic working conditions, human rights, slavery and human trafficking.

**Note:** Any exceptions to HQ 1 requirements must be specifically authorized in writing by the Hydraflow Quality Manager.

## HQ 2 First Article Approval

A Dimensional Inspection Report (DIR) with all dimensions, notes, block tolerances, etc., as applicable, must be submitted to Hydraflow Receiving Inspection with the first article part(s) for approval prior to production being run. The first article part(s) shall be identified as such. First Article acceptance by Hydraflow shall not constitute final acceptance of articles required, nor does it relieve the supplier of the obligation to furnish all parts/items that meet the applicable drawings, specifications and contract requirements.

## HQ 3 Dimensional Inspection Report (DIR)

A Dimensional Inspection Report (DIR) with all dimensions, notes, block tolerances etc. as applicable shall be submitted with each shipment of parts. The DIR may be documented on the supplier's form or Hydraflow's form. The report shall include the name or signature and title or stamp of the Supplier representative responsible for accepting the part/report.

## HQ 4 SPC

SPC data with 1.33 minimum Cpk is required with each shipment.

## HQ 5 Raw Material Physical and Chemical Test Reports for Specialty Metals

Specialty Metals (stainless steel, titanium and titanium alloys, and zirconium base alloys) must be in compliance with Defense Federal Acquisition Regulation Supplement (DFARS) clauses. The raw material certifications must state the country of melt. Raw material physical and chemical test reports including mill name and heat/lot number(s) are required with each shipment conforming to the latest specification revision or the purchase order. Reports must be authentic, legible, reproducible and complete with an unbroken chain of documentation from the original manufacturer through all supply chain intermediaries to the direct source. Certification(s) shall have the name and/or signature and title of the supplier representative validating it.

**Note:** Any exceptions to HQ 5 requirements must be specifically authorized in writing by the Hydraflow Buyer.

## HQ 5A Raw Material Physical and Chemical Test Reports

Raw material physical and chemical test reports including mill name and heat/lot number(s) are required with each shipment conforming to the latest specification revision or the purchase order. Reports must be authentic, legible, reproducible and complete with an unbroken chain of documentation from the original manufacturer through all supply chain intermediaries to the direct source. Certification(s) shall have the name and/or signature and title of the supplier representative validating it.

**Note:** Any exceptions to HQ 5A requirements must be specifically authorized in writing by the Hydraflow Buyer.

## HQ 5B Conflict Minerals Due Diligence and Reporting Requirements

In accordance with U.S. Securities and Exchange Commission (SEC) adopted rules mandated by the conflict minerals disclosure provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Compliance shall be in accordance with framework established by the Organization for Economic Cooperation and Development (OECD).

## HQ 6 Process Certification

Process certifications (such as anodize, welding, brazing, dye penetrant, x-ray, etc.) must conform to applicable specifications and revisions as required by the purchase order requirements. Certification(s) must be complete, legible, reproducible and authentic with the name and/or signature and title of the supplier representative certifying it. The certification must be tied to the Hydraflow supplier's documentation if the process is sub-contracted.

## HQ 7 Shelf Life

The Supplier shall identify each elastomeric or other limited shelf life item with the name of material, part number, type, size, quantity, date of manufacture and expiration date. Date of manufacture and expiration should be recorded on the certification document or shipper. Material must have 90% shelf life remaining unless otherwise authorized, in writing, by the Hydraflow Buyer.

## HQ 8 Distributors (Limited Purchases)

- a. The Supplier shall establish, document, implement and maintain a quality management system and continually improve its effectiveness in accordance with ISO 9001, AS9100, AS9120 or similar quality standard. If the Supplier is accredited to ISO 9001, AS9100 and /or AS9120 and subsequently loses accreditation status, the supplier shall notify Hydraflow within three days of receiving such notice from its Certification/Registration Body.
- b. The Supplier shall provide a Certificate of Conformance (C of C) with each shipment. The certificate shall state that the material is in accordance with Hydraflow purchase order requirements. The supplier shall provide an unbroken chain of documentation from the original manufacturer through all the supply chain intermediaries to the direct source with each shipment. The document shall include information such as manufacturer, distributor, quantity, lot and/or date code and shelf life as applicable. Statements such as "To the best of my knowledge" and the title "Authorized Signature" are not acceptable. The certificate must include the name or signature and title of the Supplier representative certifying it. All certificates shall be written in English. The Supplier shall comply with the AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of the Acceptance Authority Media (AAM) requirements. The Supplier shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System. The Supplier shall, upon Hydraflow's request, be able to demonstrate evidence of communication to its employees and to its supply chain; use of AAM must be considered as a personal warranty of compliance and conformity. The Supplier shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The areas of focus of this assessment shall include but not limited to:

- 1) Authority Media Application (AMA) Errors, i.e., omission, typos, legibility, etc.,
  - 2) AMA Untimely Use, i.e., documentation is not completed as planned, “stamp/sign as you go”, etc.,
  - 3) AMA Misrepresentation, i.e., uncertified personnel, falsification of documentation, work not performed as planned, etc.,
  - 4) AMA Training Deficiencies, i.e., ethics, culture awareness, proper use of authority media, etc.
- c. The Hydraflow purchase order must be reviewed to ensure the product and applicable documentation comply with stated requirements. The supplier shall disclose in writing, at the time of each individual quotation whether or not the source of supply is authorized (franchised) for the parts/material being quoted.
  - d. The Supplier’s quality assurance system shall provide for ready detection of discrepancies and for prompt and effective corrective action. The Supplier is responsible for initiation of prompt response to Hydraflow nonconforming reports, corrective action requests and implementation of required corrective actions.
  - e. Hydraflow, its customers, the government and regulatory agencies shall be granted right of access to the Supplier’s facility at any level of the supply chain involved in the purchase order, to all applicable records and to conduct audits, inspections or evaluations at any time in order to verify the compliance with supplier’s internal procedures and Hydraflow’s purchase order requirements.
  - f. The Supplier shall have a system in place to provide for handling and storage of products to protect and prevent from loss, substitution or damage such as nicks, scratches and deformation; exposure to foreign object debris (FOD), contamination, corrosion or exposure to environments that can cause deterioration of the product. Special attention shall be given to sensitive products requiring special handling such as shelf life and temperature control, hazardous materials requiring safety labels in accordance with applicable Material Safety Data Sheets (MSDS).
  - g. The supplier shall establish and maintain a Counterfeit Parts Prevention and Control Plan in accordance with AS5553 and/or AS6174 as applicable to supply only authentic and conforming parts/items purchased from the Original Component Manufacturer (OCM), Original Equipment Manufacturer (OEM) or authorized distributors chain only with a plan to mitigate risk, control, disposition and reporting fraudulent/counterfeit parts/items. The supplier shall flow down this requirement to their supply chain.
  - h. The Supplier shall guarantee compliance with applicable laws, statutes, rules, regulations or orders of the jurisdiction where Supplier performs work under this order, as well as all laws of the United States of America that may be applicable, which includes, but is not limited to, laws relating to basic working conditions, human rights, slavery and human trafficking.

**Note:** Any exceptions to HQ 8 requirements must be specifically authorized in writing by the Hydraflow Quality Manager.

## HQ 9 Limited Capability Supplier

- a. The Supplier shall maintain adequate records of manufacturing, inspections, tests and results obtained when applicable. Such records must be made available to Hydraflow when requested. Records must be maintained for at least seven years from the date of shipment to Hydraflow.

- b. Hydraflow, its Customers, the government and regulatory agencies shall be granted right of access to the Supplier's facility at any level of the supply chain, involved in the purchase order and to all applicable records and to conduct audits, inspections or evaluations at any time in order to verify the compliance with supplier's internal procedures and Hydraflow's purchase order requirements.
- c. The Supplier shall not exercise discrepant material review authority on parts and/or material that is Hydraflow designated and/or designed controlled to Hydraflow's specification.
- d. The Supplier shall maintain a calibration system in accordance with ANSI/NCSL Z540-1 or equivalent to control the accuracy of devices used to verify the acceptability of materials, equipment or services in the performance of Hydraflow purchase orders.
- e. The Supplier's system shall provide for the ready detection of discrepancies and for the initiation of prompt replies to Hydraflow nonconforming reports, corrective action requests and implementation of required corrective actions.
- f. The Supplier shall provide a Certificate of Conformance (C of C) with each shipment. The certificate shall state that the material is in accordance with Hydraflow purchase order requirements. Statements such as "To the best of my knowledge" and the title "Authorized Signature" are not acceptable. The certificate must include the name or signature and title of the Supplier representative certifying it. All certificates shall be written in English. The Supplier shall comply with the AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of the Acceptance Authority Media (AAM) requirements. The Supplier shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System. The Supplier shall, upon Hydraflow's request, be able to demonstrate evidence of communication to its employees and to its supply chain; use of AAM must be considered as a personal warranty of compliance and conformity. The Supplier shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The areas of focus of this assessment shall include but not limited to:
- 1) Authority Media Application (AMA) Errors, i.e., omission, typos, legibility, etc.,
  - 2) AMA Untimely Use, i.e., documentation is not completed as planned, "stamp/sign as you go", etc.,
  - 3) AMA Misrepresentation, i.e., uncertified personnel, falsification of documentation, work not performed as planned, etc.,
  - 4) AMA Training Deficiencies, i.e., ethics, culture awareness, proper use of authority media, etc.
- g. The Supplier shall have a system to control, segregate and identify Hydraflow supplied material and/or tooling. Substitution or replacement of Hydraflow material is prohibited unless authorized, in writing, by the Hydraflow Buyer. Any loss, damage or unsatisfactory conditions to Hydraflow tooling must be promptly communicated to Hydraflow.
- h. Hydraflow tooling used in the fabrication of product must be maintained in a clean and orderly manner. Any discrepancies or damage to Hydraflow tooling must be reported immediately to the Hydraflow Buyer.
- i. The Supplier shall guarantee compliance with applicable laws, statutes, rules, regulations or orders of the jurisdiction where Supplier performs work under this order, as well as all laws of the United States of America that may be applicable, which includes, but is not limited to, laws relating to basic working conditions, human rights, slavery and human trafficking.

## HQ 10 Nadcap Accreditation

Nadcap accreditation is required for the processes as documented on the Hydraflow purchase order. If the supplier loses accreditation status, the supplier shall notify Hydraflow within three days of receiving such notice.

## HQ 11 Testing/Calibration Certification

- a. Testing and Calibration Laboratories shall be accredited to International Standards ISO/IEC 17025. Their standards shall be traceable to the National Institute of Standards and Technology (NIST). If the Supplier loses accreditation status, the Supplier shall notify Hydraflow within three days of receiving such notice from its Certification/Registration Body.
- b. Calibration Laboratories shall provide a Certificate of Calibration containing information such as specified in ISO 10012, ANSI/NCSL Z540-1 or equivalent. The certificate shall state the Hydraflow instrument/equipment number, the certificate report number, actual variable readings or attribute result as applicable, the supplier's standards utilized for calibration, environmental conditions, the Hydraflow purchase order number and that the instrument/equipment referenced on the certification has been calibrated and meets all specification requirements, any deviation from, adjustments to, or exclusions from calibration method, and any failure found. Statements such as "To the best of my knowledge" and the title "Authorized Signature" are not acceptable. The certificate must include the name or signature and title of the Supplier representative certifying it. Additionally, all certificates shall be written in English.
- c. The Supplier shall maintain adequate records of inspection, tests, and other calibration/test activities. Such records shall be made available to Hydraflow when requested. Records shall be maintained for at least 10 years from the date of shipment to Hydraflow; exclusions from this requirement may be made if all pertinent supplier records are submitted to and maintained by Hydraflow. The Supplier shall comply with the AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of the Acceptance Authority Media (AAM) requirements. The Supplier shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System. The Supplier shall, upon Hydraflow's request, be able to demonstrate evidence of communication to its employees and to its supply chain; use of AAM must be considered as a personal warranty of compliance and conformity. The Supplier shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The areas of focus of this assessment shall include but not limited to:
  - 1) Authority Media Application (AMA) Errors, i.e., omission, typos, legibility, etc.,
  - 2) AMA Untimely Use, i.e., documentation is not completed as planned, "stamp/sign as you go", etc.,
  - 3) AMA Misrepresentation, i.e., uncertified personnel, falsification of documentation, work not performed as planned, etc.,
  - 4) AMA Training Deficiencies, i.e., ethics, culture awareness, proper use of authority media, etc.
- d. The Supplier shall notify Hydraflow of the appropriate method selected when Hydraflow does not specify the testing or calibration method to be used and when required, shall notify Hydraflow when the method proposed by Hydraflow is considered inappropriate.
- e. The Supplier shall notify Hydraflow of any change in location.

- f. Products, Measuring and test equipment shall be protected/packaged adequately to prevent loss, damage and/or deterioration during processing, handling and delivery. Any loss, damage or unsatisfactory conditions of Hydraflow property must be promptly communicated to the Hydraflow buyer.
- g. Hydraflow, its customers, the government and regulatory agencies shall be granted right of access to the Supplier's facility at any level of the supply chain involved in the purchase order, to all applicable records and to conduct audits, inspections or evaluations at any time in order to verify the compliance with supplier's internal procedures and Hydraflow's purchase order requirements.
- h. The Supplier shall guarantee compliance with applicable laws, statutes, rules, regulations or orders of the jurisdiction where Supplier performs work under this order, as well as all laws of the United States of America that may be applicable, which includes, but is not limited to, laws relating to basic working conditions, human rights, slavery and human trafficking.

**Note:** Any exceptions to HQ 11 requirements must be specifically authorized in writing by the Hydraflow Quality Manager.