

INSTRUCTIONS: When referenced on American Fabrication, Inc. (AFI) Purchase Orders, the Supplier shall incorporate all applicable Purchase Order requirements into all Supplier issued procurement documents. Flow-down of Purchase Order requirements shall be verbatim, (i.e., without change or modification). Sub-Suppliers of the Supplier require flow-down of all applicable requirements to each Supplier, at any tier.

ADMINISTRATIVE CLAUSES

A1 Advanced Shipment

Shipments made prior to the specified date given on this Purchase Order will be held at the Supplier's risk. Invoices issued will be re-dated to conform with the shipping date specified on the Purchase Order.

A2 Excess Shipping Charges

The Supplier agrees to pay excess shipping charges made necessary by delay in making shipments.

A3 Late Shipments

Shipments shall be made in accordance with AFI's shipping instructions which are subject to revision with respect to undelivered quantities. Time is of the essence on this Purchase Order, and if Supplier fails to make delivery within the time promised AFI may purchase elsewhere and charge Supplier with any resulting loss, unless late shipments have been authorized in writing.

A4 Packing List

A detailed packing list must accompany each shipment.

A5 Shipping Notice / Invoice

Mail shipping notice or invoice on day of shipment giving complete description of the shipment and the Purchase Order number.

A6 Alternate Shipment

If shipment is made by another firm, the shipment must be marked to indicate that the material is being shipped for the Supplier and have AFI's Purchase Order number shown as specified on each package.

A7 Back Orders

All back orders must be shipped prepaid.

A8 Cancellation

AFI reserves the right to cancel this Purchase Order if not filled as specified.

A9 Delay in Delivery

Supplier shall notify AFI promptly of any delays and of any actual or potential labor dispute which is delaying or threatens to delay the timely performance of this Purchase Order.

A10 Default

In case of delay or default in performance, Supplier agrees to indemnify AFI and save AFI harmless from Supplier's refusal or failure to make deliveries as specified herein. Supplier agrees to notify AFI in writing within five (5) days from the beginning thereof, of any unforeseeable cause beyond Suppliers control which has or may delay deliveries as specified.

A11 Documents / Data

All data requirements, such as submittal data, physicals and chemicals, certifications, O&M instructions, etc., are an actual part of this Purchase Order and must be adhered to prior to payment of invoices.

A12 Purchase Order Number

The Purchase Order number must appear on all invoices, packing slips, packages, submitted data and correspondence.

A13 Warranty

- Notwithstanding any other provisions of this agreement, the Supplier warrants that all items provided to this Purchaser Order shall be genuine, new and unused unless otherwise specified in writing by AFI. Supplier further warrants that all items used by the Supplier during the performance of work for AFI, include all genuine, original, and new components, or are otherwise suitable for the intended purpose. Furthermore, the Supplier shall indemnify AFI, its agents, and third parties for any financial loss, injury, or property damage resulting directly or indirectly from material, components, or parts that are not genuine, original, and unused, or not otherwise suitable for the intended purpose. This includes, but is not limited to, materials that are defective, suspect, or counterfeit; materials that have been provided under false pretenses; and materials or items that are materially altered, damaged, deteriorated, degraded, or result in product failure.
- Types of material, parts, and components known to have been misrepresented include (but are not limited to) fasteners; hoisting, rigging, and lifting equipment; cranes; hoists; valves; pipe and fittings; electrical equipment and devices; plate, bar, shapes, channel members, and other heat treated materials and structural items; welding rod and electrodes; and computer memory modules. The Supplier's warranty also extends to labels and/or trademarks or logos affixed, or designed to be affixed, to items supplied or delivered to AFI. In addition, because the recording of false, fictitious or fraudulent statements or entries on documentation may be punishable under Federal Statutes, AFI may reject and retain such information or items, at no cost, and identify, segregate, and report such information or activities to the Cognizant Government Agencies.

A14 Certificate of Insurance

The following shall apply to all services performed by Supplier on or behalf of AFI, the Owner (if different from AFI), affiliated companies of AFI, their partners, joint ventures, representatives, members, designees, officers, directors, shareholders, employees, agents, or successors in relation to any Project:

INDEMNIFICATION:

The Work performed by the Supplier shall be at the risk of the Supplier exclusively. To the fullest extent permitted by law, Supplier shall indemnify, defend (at Supplier's sole expense) and hold harmless AFI, the Owner (if different from AFI), affiliated companies of AFI, their partners, joint ventures, representatives, members, designees, officers, directors, shareholders, employees, agents, successors, and assigns ("Indemnified Parties"), from and against any and all claims for bodily injury, death or damage to property, demands, damages, actions, causes of action, suits, losses, judgments, obligations and any liabilities, costs and expenses (including but not limited to investigative and repair costs, attorney fee's and costs, and consultants' fees and costs) ("Claims") which arise or are in any way connected with the Work performed, Materials furnished, or Services provided under this Purchase Order by Supplier or its agents. These indemnity and defense obligations shall apply to any acts or omissions, negligent or willful misconduct of Supplier, its employees or agents, whether active or passive. Said indemnity and defense obligations shall further apply whether or not said claims arise out of the concurrent act, omission, or negligence of the Indemnified Parties, whether active or passive. Supplier shall not be obligated to indemnify and defend AFI or Owner for claims found to be due to the sole negligence or willful misconduct of Indemnified Parties.

Supplier's indemnification and defense obligations hereunder shall extend to Claims occurring after this Purchase Order is terminated as well as while it is in force, and shall continue until it is finally adjudicated that any and all actions against the Indemnified Parties for such matters which are indemnified hereunder are fully and finally barred by applicable Laws.

INSURANCE

Upon execution of the Purchase Order, and prior to the Supplier commencing any work or services with regard to the Project, the Supplier shall carry commercial general liability insurance on ISO form CG 00 01 10 01 (or a substitute form providing equivalent coverage) and the Supplier shall provide AFI with a Certificate of Insurance and Additional Insured Endorsement on ISO form CG 20 10 11 85 (or a substitute form providing equivalent coverage) or on the combination of ISO forms (CG 20 10 07 04 and CG 20 37 07 04 (or substitute forms providing equivalent coverage) naming AFI and the Owner as Additional Insureds there under. Additional insured coverage shall apply as primary non-contributory insurance with respect to any other insurance afforded to Owner and AFI. The coverage available to AFI and Owner, as Additional Insureds, shall not be less than \$1 million Each Occurrence, \$2 million General Aggregate (subject to a per project general aggregate provision applicable to the project), \$2 million Products/Completed Operations Aggregate and \$1 million Personal and Advertising Injury limits. Such insurance shall

cover liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). There shall be no endorsement or modification of the Commercial General Liability form arising from pollution, explosion, collapse, underground property damage or work performed by subcontractors. All coverage shall be placed with an insurance company rated "A-VII" or better by A.M. Best and reasonably acceptable to AFI. Coverage shall be afforded to the Additional Insureds whether or not a claim is in litigation.

The insurance coverage required shall be of sufficient type, scope, and duration to ensure coverage for AFI or Owner for liability related to any manifestation date within the applicable statutes of limitation and/or repose which pertain to any work performed by or on behalf of AFI or Owner in relation to the Project.

Each Certificate of Insurance shall provide that the insurer must give AFI at least thirty (30) days' prior written notice of cancellation and termination of the AFI's coverage there under. Not less than two (2) weeks prior to the expiration, cancellation or termination of any such policy, the Supplier shall supply AFI with a replacement Certificate of Insurance and Additional Insured endorsement as proof of renewal of said policy. Said replacement policy shall be similarly endorsed in favor of AFI and Owner as set forth above.

Additionally, and prior to commencement of the Work, the Supplier shall provide AFI with a Certificate of Insurance showing insurance coverage for the Supplier and any employees, agents, or Sub-Suppliers of the Supplier for any Worker's Compensation, Employer's Liability and Automobile Liability. In the event any of these policies are terminated, Certificates of Insurance showing replacement coverage shall be provided to AFI. Coverages shall be no less than the following;

- Workers' Compensation and Employer's Liability Insurance: As required by law and affording thirty (30) days written notice to American Fabrication prior to cancellation or non-renewal, providing coverage of not less than \$1,000,000 for bodily injury caused by accident and \$1,000,000 for bodily injury caused by disease.
- Business Auto Liability Insurance: Written in the amount of not less than \$1,000,000 each accident.

Waiver of Subrogation: Supplier shall obtain from each of its insurers a waiver of subrogation on Commercial General Liability in favor of AFI and Owner with respect to Losses arising out of or in connection with the Work.

QUALITY CLAUSES

Q1 Nuclear Safety and Indemnity (PAAA)

The item(s) or service(s) required by this Purchase Order is / are related to nuclear or radiological safety, and is / are therefore subject to the Price-Anderson Amendments Act – 2005 (PAAA) and federal regulations 10 CFR 820, 10 CFR 830 Subpart A, and / or 10 CFR 835. Failure to implement and comply with the requirements of this Purchase Order or failure to provide factual information with regard to the quality of the product(s) or service(s) rendered, could result in enforcement action by the Department of Energy (DOE) Office of Price Anderson Enforcement. Enforcement can result in civil penalties and / or criminal prosecution.

Q2 Foreign Origin Materials (Buy American Act)

All materials furnished under this Purchase Order shall be made in the USA, its outlying areas, or a Designated Country as defined in the following regulations:

- FAR 52.225-11, Buy American Act – Construction Materials Under Trade Agreement.
- FAR 52.225-13, Restrictions on Certain Foreign Purchases.

Note: Full text of the above regulations is available at <https://www.acquisition.gov/content/52225-11-buy-american-construction-materials-under-trade-agreements>

Q3 QA Program Requirements

The Supplier shall implement and maintain a quality system that has been reviewed and accepted by AFI. The Supplier's Quality Program approved for this Purchase Order is stated on the front of the order. AFI shall be notified of any changes to the accepted version of the Supplier's Quality Program.

Q4 Certificate of Calibration

The Supplier shall provide a Certificate of Calibration for each piece of M&TE listed on this Purchase Order. The Certificate of Calibration shall contain the following:

- A title, e.g., “Calibration Report” or “Calibration Certificate”,
- Name and address of laboratory, and location where the calibration was carried out,
- Unique identification of the certificate or report (such as serial number) and of each page, and the total number of pages,
- Name and address of AFI, with corresponding Purchase Order number, if applicable.
- Description and unambiguous identification of the item calibrated,
- Characterization and condition of the calibrated item,
- Date(s) of performance of calibration,
- Identification of the calibration procedure used, or unambiguous description of any non-standard method used,
- Reference to sampling procedure, where relevant,
- Any deviation from, additions to or exclusions from the calibration method, and any other information relevant to a specific calibration, such as environmental conditions,
- Measurements, examinations and derived results, supported by tables, graphs, sketches and photographs, as appropriate, and any failures identified,
- A statement of the estimated uncertainty of the calibration result (where relevant),
- A signature and title, or an equivalent identification of the person(s) accepting responsibility for the content of the certificate and date of issue,
- Special limitations of use,
- Traceability statement, and
- Where the certificate contains results of calibrations performed by subcontractors, these results shall be clearly identified.

The Supplier shall notify AFI promptly, via fax or email of:

- Any event such as the identification of defective calibration equipment that casts doubt on the validity of results given in any calibration report or certificate, or amendment to a report or certificate. Such notification shall quantify the magnitude of error created in the calibration results.
- Any of AFI’s Measuring and Test Equipment (M&TE) found out-of-tolerance during the calibration/verification process. Measurement data shall be reported so that appropriate action can be taken.

Q5 Engineering Services

The Supplier providing engineering services for this Purchase Order shall work as Staff Augmentation for the AFI Engineering Manager under AFI’s Quality Management System. Controlled Documents (e.g. drawings, specifications, procedures, etc...) will be provided, if identified in this Purchase Order, by the AFI Engineering Manager. If required by this Purchase Order, Calculations and Drawings shall be prepared under the direction of and stamped / signed by a registered Professional Engineer. An electronic copy of the DXF files shall accompany all drawings supplied under this Purchase Order. A copy of the Professional Engineer’s Certification shall be on file at AFI. The Supplier shall provide a complete description of any and all software used while performing calculations, including: name of software, manufacturer, and version. Design analysis / calculation shall include identification of any computer calculations, including identification of the computer type, computer program name, and revision, inputs, outputs, evidence of or reference to computer program verification, and the basis (or reference thereto) of supporting application of the computer program to the specific physical problem. The Supplier shall also provide a copy of the Validation and Verification (V&V) Reports with the calculations, unless previously provided to AFI. The Supplier shall notify the AFI Engineering Manager immediately at (208) 522-1361 of any changes to personnel providing engineering services, certification to practice engineering in the State of Idaho, and any changes to the software, version, hardware, or operating system running design software that could affect the V&V Reports.

Q6 Suspect/Counterfeit Items

Items furnished under this Purchase Order are intended for use in a U. S. Government-owned facility. Items delivered under this Purchase Order may contain potentially suspect or counterfeit items or materials (i.e., fasteners, electrical components, mechanical devices, piping/piping system components, and/or raw-stock metals). Supplier and its sub-suppliers shall maintain sufficient control to prevent the procurement, installation, use, and delivery of materials and equipment that contain or exhibit suspect or counterfeit item characteristics or conditions. Additional information and guidance, to include the United States Department of Energy (DOE) Suspect Headmark List, can be obtained at: <https://www.energy.gov/sites/prod/files/2014/07/f17/Headmark%20List%203-29-12.pdf>.

Supplier is solely responsible for all costs associated with the discovery, removal, replacement, and impoundment of materials and equipment that contain or exhibit suspect or counterfeit item characteristics or conditions.

- A. Materials and equipment delivered under this Purchase Order shall exhibit the manufacturer's original labels and identification. Materials and equipment delivered under this Purchase Order will be inspected AFI for indications of suspect or counterfeit characteristics and/or conditions.
- B. Materials, equipment, or assemblies that consist of, or contain high strength fasteners (e.g., Grades 5, 8, 8.2, A325, and A490, internally/externally threaded and greater than 0.25" in diameter), shall exhibit both grade marks and the manufacturer's identification symbol (headmark), in accordance with the applicable specification (i.e., ASTM, SAE, etc.). Fasteners with head markings identified on the DOE Headmark List, are STRICTLY PROHIBITED. Materials, equipment, or assemblies consisting of, or containing high strength fasteners, which DO NOT exhibit both grade marks and the manufacturer's identification symbol constitute a nonconformance with the Purchase Order requirements.
- C. Materials, equipment, or assemblies that consist of, or contain electrical components shall exhibit as applicable, legible amperage and voltage ratings, operating parameters, and the product manufacturer's labels and identification. Electrical components shall exhibit as applicable to the item or component, Underwriters Laboratory (UL) or Factory Mutual (FM) labels.
- D. Materials, equipment, or assemblies that consist of, or contain mechanical, piping, and piping system components and/or parts, shall clearly exhibit all markings as required by the ordering data or specifications and the original manufacturer's labels and identification.

Detection by AFI of any suspect or counterfeit condition leading to evidence of deliberate misrepresentation of any supplied item may result in an investigation in to the validity of certification, fraud, and/or forgery, by the U. S. Government.

Q7 Electrical Items Identification

Electrical items and equipment received under this Purchase Order shall exhibit legible amperage and voltage rating, operating parameters, and the product manufacturer's labels and identification. Items shall be supplied in the manufacturer's original packaging and as applicable to the item, exhibit the applicable Nationally Recognized Testing Laboratory's (NRTL's) registered certification marks/labels (i.e., Underwriters Laboratory (UL), Canadian Standards Association (CSA), etc.)

Q8 Suppliers Schedule of Events

The Supplier shall submit to the Cognizant AFI Project Manager a Schedule of Events for all manufacturing, inspection, and / or test activities. The schedule shall detail the fabrication, assembly, installation, inspection, examination, and /or test processes to be performed. The schedule shall be submitted prior to Supplier initiation of any manufacturing, inspection, or test activity, for incorporation of AFI Source Inspection hold points.

Q9 Shelf-Life/Operational Life

The Supplier shall submit any operational or shelf-life limitations of any item or of any portions of any item, delivered under this Purchase Order.

- When the limitation is operational, the Supplier shall indicate the date and/or cycle by which the useful life will be expended. The Supplier shall also identify any environmental factors necessary to achieve the indicated useful life or cycles and the techniques that should be employed by AFI in recognition of the limitation.
- When the limitation is shelf life, the Supplier shall indicate the cure or manufacture date, the shelf-life expiration date, the storage environment, and any special handling conditions that are required to achieve that stated life. If

the limited shelf-life item is individually packaged (as contrasted to its being installed as part of an overall assembly), the item's package shall bear the foregoing information.

- The Supplier shall not supply any item or portion of any item with an operational or shelf-life duration in excess of 20% expiration at time of delivery. For those materials whose nature make it possible to extend the shelf-life by submitting a sample for re-qualification testing, the Supplier shall submit a copy of the test, the recommended shelf-life extension time, and the acceptance/rejection criteria of the test. The Supplier shall furnish the cure date, assembly date, part name and number, compound number, and manufacturer's identification (if different from part number) for parts (synthetic or natural) installed in assemblies delivered. This information shall be identifiable to the assembly to which it applies.
- Unless otherwise authorized by the Purchase Order, all shelf/operational life submittals shall be with the shipment to AFI.

Q10 Contact Materials

Materials in direct contact with austenitic stainless steels and nickel based alloys shall not exceed 200 ppm leachable halogen content; 250 ppm leachable sulfur content; 50 ppm leachable chloride content; 1% (by weight total) content of the following low melting point metals: lead, zinc, copper, tin, antimony, mercury; of these, mercury shall be less than 50 ppm.

Q11 Materials Control & Identification Markings

Materials shall be controlled as follows:

- Identification markings/tags shall be maintained on the materials at all times.
- AFI will provide all materials, unless otherwise noted in this Purchase Order.
- Controlled Documents (e.g. drawings, specifications, procedures, etc...) will be provided, if identified in this Purchase Order, after they have been approved and released for fabrication by the AFI Engineering Manager and QA Manager.

Q12 Certified Material Test Report (CMTR)

The Supplier shall provide actual chemical and physical reports for the items as indicated on this Purchase Order. Certified Material Test Report (CMTR) documentation shall be legible and reproducible. CMTR documentation shall include:

- Identification of actual chemical and physical tests performed on a representative sample of the material heat / melt / lot and the results of each test performed.
- Heat / Melt / Lot Number.
- Applicable specification or standard with the specific revision or effective date.
- Statement of Test Results Certification.
- Identification of Testing and Certifying Organization.
- Traceability to the material and / or end item(s) delivered.
- Supplier's certifying authority.

Physical marking / labeling of material is required to maintain CMTR traceability. As a minimum, marking shall include:

- Specification Designation.
- Heat / Melt / Lot Number.
- Manufacturer Identification.

Unless otherwise specified, CMTR documentation shall be delivered with the shipment to AFI. CMTR documentation may be emailed at the request of the AFI Receiving Inspector if the CMTR documentation that was delivered with the shipment is not legible.

Q13 Certificate of Conformance

The Supplier shall certify that item(s) or services(s) delivered under this Purchase Order conform(s) in all respects to the Purchase Order requirements. Supplier certification shall be documented utilizing supplier Certificate of Conformance (CofC). The certification must identify the specific requirements (e.g., codes, standards, or other specifications) as required by AFI. Certification shall be complete, accurate, legible and reproducible. Incomplete or inaccurate certifications will be refused. Each certification shall be issued by the Supplier's certifying authority. The certification must be signed by a person who is responsible for the QA function.

If Catalog Item Data is available, Catalog Item Data shall be provided to AFI to the extent available from the Catalog Item Supplier. This includes non-metallic materials (such as lubricants, adhesives and elastomers) as well as Catalog Cut Sheets for other catalog items (such as gear boxes and couplers). Catalog Item Data is required for all catalog and Commercial-Off-The-Shelf (COTS) items.

Unless otherwise authorized, the Supplier's CofC and/or Catalog Item Data shall be submitted with the shipment to AFI. The C of C and/or Catalog Item Data may be emailed at the request of the AFI Receiving Inspector if the CofC and/or Catalog Item Data that was delivered with the shipment is not legible.

Q14 Right of Access

AFI reserves the right to audit, access, inspect, witness, or test any and all work and / or products supplied under the terms of this Purchase Order. Right of access to any and all Supplier or sub-supplier facilities or work locations shall be afforded to the authorized AFI representative at all reasonable times.

Q15 Source Inspection

Source inspection or surveillance may be performed by the authorized AFI representative in accordance with source inspection planning documents or in accordance with the AFI approved Schedule of Events submitted by the Supplier, or both. AFI will identify to the Supplier, inspection hold points, beyond which work cannot proceed without written authorization from AFI. Unless otherwise specified by the Purchase Order, the Supplier shall notify the AFI Quality Manager, at (208) 522-1361, at least five (5) working days in advance of the time that the item(s) will be available for source inspection. All Supplier-generated documentation required to complete the source inspection action shall be submitted and approved prior to notification of item availability.

Q16 Receiving Inspection

All deliverables required by this Purchase Order will be inspected and/or tested for acceptance by AFI. Inspections/tests performed are intended to verify product compliance with Purchase Order requirements, to include all physical and chemical characteristics and all required documentation. All discrepancies in product quality and/or documentation will be documented and reported in accordance with AFI's internal procedures. All reported discrepancies require resolution prior to acceptance and payment.

Q17 Nonconformance Approval

Nonconformances identified by the Supplier shall be controlled to prevent the delivery of nonconforming items to AFI. The Supplier shall notify the Cognizant AFI Quality Manager, at (208) 522-1361, of any nonconforming condition found within twenty-four (24) hours of finding the nonconformance. The Supplier shall provide AFI with a complete written description of the nonconformance within three (3) days of reporting the condition. The description shall contain details of both the probable cause and the proposed corrective action. The written description shall be submitted to AFI for approval. The Supplier shall stop all activities until the Supplier's proposed corrective action has been approved.

Upon delivery to AFI, the Supplier certifies that all materials and/or services provided under this Purchase Order conform in all respects to the Purchase Order requirements and that any/all exception, waivers, deviations, and/or nonconforming conditions have been approved in advance by AFI. Furthermore, the Supplier certifies that all information provided is accurate, complete, and true.

Q18 Inspection and Test Data

Inspection or Test Data required by this Purchase Order shall include the following, as applicable.

- Part, drawing, and specification number.
- Serial number.
- Heat/melt identification of raw material.
- Lot identification of each item.
- Characteristic subject to inspection.
- Inspection sequence.
- Acceptance criteria and source.
- Inspection results.
- Examination method.
- Measure and test equipment (M&TE) and calibration status.
- Inspection setup.
- Environmental conditions.
- Test personnel identification.
- Dated approval signature by supplier authorized representative.

All Inspection and Test Data provided by the Supplier shall contain a Fraud and Falsification statement. An example is as follows:

“Note: The recording of false, fictitious or fraudulent statements or entries on this document may be punishable under Federal Statues.”

Q19 Government Inspection

Government inspection is required prior to shipment from your facility. Upon receipt of this Purchase Order, promptly notify the Government Representative who normally services your facility so that appropriate planning for Government inspection can be accomplished. In the event the representative or office cannot be located, the AFI Purchasing Manager or QA Manager shall be notified immediately at (208) 522-1361.

Q20 First Article Inspection

First Article Inspection is required for each of the items listed on the Purchase Order. Notify AFI QA Manager at least five (5) working days in advance of the time when items are ready for inspection at (208) 522-1361. Work shall not proceed until the first article has been inspected and accepted by AFI.

Q21 Mercury Controls

All items furnished under this Purchase Order shall not contain and shall not be contaminated by mercury or mercury compounds. Mercury control certification is not required.

Q22 Fraud and Falsification

This Purchase Order is within the jurisdiction of the Department of Energy and/or the Navy. Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under this Purchase Order may be punishable in accordance with applicable Federal Statutes. Certified Material Test Reports (CMTR) for the item(s) as indicated on this Purchase Order shall contain a Fraud and Falsification statement and shall be submitted with the shipment to AFI. An example is as follows; “Note: The recording of false, fictitious or fraudulent statements or entries on this document may be punishable under Federal Statues.” If a Fraud and Falsification statement is unobtainable on the CMTR due to the variety of Mills and time of manufacture, the Supplier shall provide a certification that the Fraud and Falsification statement was unobtainable from the Mill and shall identify the item(s) by Heat Number and Mill. Any inability or unwillingness to comply with this provision will be documented in writing and submitted to our Customer.

Q23 Inspection and Test Failure

The Supplier shall notify the Cognizant AFI Project Manager, at (208) 522-1361, of each required hardware/software inspection or test failure within twenty-four (24) hours of the occurrence. The Supplier shall provide AFI with a complete written description of the failure and the failure mode within three (3) days after the failure. The description shall contain details of both the failure cause and the proposed corrective action. Upon discovery of a failure, the inspection/test may be continued to determine secondary and other areas of failures, unless the initial failure would invalidate subsequent test results or impose a safety hazard or excessive economic burden. The written description shall be submitted to AFI for approval of the Supplier's proposed corrective action prior to re-inspection or retesting.

Q24 Supplier Protection of U-NNPI (NOFORN)

The Supplier hereby agrees that when provided documents (specifications, drawings, etc.) which are marked as containing Unclassified Naval Nuclear Propulsion Information (U-NNPI) that must be controlled pursuant to federal law, the information contained therein and generated as part of this Purchase Order shall be used only for the purpose of executing the Purchase Order and shall in no case be transmitted outside the company, or to any foreign national or foreign interest within the company. The provided document containing U-NNPI will be stamped as 'NOFORN'. While in use, the documents shall be protected from unauthorized observation and shall be kept secure so as to preclude access by persons who do not have a legitimate need to view them. The documents shall not be copied unless done in conformance with the detailed guidance provided as part of the proposal instructions (NN-801). Following the completion of this Purchase Order, all the documents, including any copies, shall be promptly returned in their entirety to AFI, or certified to AFI, in writing, to have been disposed of in accordance with NN-801.

Q25 Hazardous and Toxic Substance Disclosure Requirements (MSDS)

In the performance of this Purchase Order, Supplier shall comply with all applicable laws, rules, requirements, and ordinances including, but not limited to, those relating to environmental law, toxic or hazardous materials, occupational health and safety. If this Purchase Order calls for the transfer to AFI by Supplier of any chemical substance or mixture, or any material which may generate or purchase a chemical substance or any hazardous agent, Supplier shall provide before or with said transfer a Material Safety Data Sheet (MSDS) (Federal OSHA Hazard Communication Standard, 29 CFR 1910.1200) and label which are current, accurate and complete, which include but are not limited to a statement of product hazards and precautions for safe use. Copies of the MSDS shall include the Purchase Order number, shipping location, and shall be sent with the shipment to AFI.

Q26 Specialty Metals

All Specialty Metals furnished under this Purchase Order shall be made in the USA, its outlying areas, or a Qualifying Country as defined in DFARS Section 225.003. The following are Qualifying Countries: Armenia, Australia, Austria, Belgium, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Hong Kong, Hungary, Germany, Greece, Iceland, Israel, Italy, Japan, Korea (ROK), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan, Ukraine and the United Kingdom (Great Britain and Northern Ireland).

Specialty Metals are defined as:

- Steel
 - With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65%; silicon, 0.60%; or copper, 0.60%; or
 - Containing more than 0.25% of any of the following elements: aluminum, chromium, cobalt, molybdenum, nickel, niobium (columbium), titanium, tungsten, or vanadium;
- Metal alloys consisting of:
 - Nickel, iron-nickel, and cobalt alloys containing a total of other alloying metals (except iron) in excess of 10%; or
 - Cobalt alloys that containing a total of alloying metals other than cobalt and iron in excess of 10%;
- Titanium and titanium alloys; or
- Zirconium and zirconium alloys.

Q27 Defense Priorities and Allocation System (DPAS) Rating

This Purchase Order is within the jurisdiction of the Department of Defense Priorities and Allocation System (DPAS) Programs as defined by 15 CFR Part 700. This regulation authorizes the President of the US to require the priority performance of contracts as necessary to promote the national defense over other contracts, to allocate materials, services, and facilities as necessary to promote the national defense, and to require the allocation of, or the priority performance under contracts relating to, supplies of materials and services in order to assure domestic energy supplies for national defense needs.

Defense priorities are identified by DPAS Ratings as follows:

- Rated orders are identified by a priority rating, stated on the front of this Purchase Order, consisting of the rating—either DX or DO—and a program identification symbol. Rated orders take preference over all unrated orders as necessary to meet required delivery dates. Among rated orders, DX rated orders take preference over DO rated orders. Program identification symbols indicate which approved program is involved with the rated order (e.g. DO-A3, Priority Rating is DO and the approved program is for Ships). Program identification symbols can be found in Schedule 1 to Part 700 (15 CFR Part 700).
- Suppliers receiving rated orders must give them preferential treatment as required by this regulation. This means a person must accept and fill a rated order for items that the person normally supplies. The existence of previously accepted unrated or lower rated orders is not sufficient reason for rejecting a rated order. Suppliers are required to reschedule unrated orders if they conflict with performance against a rated order. Similarly, Suppliers must reschedule DO rated orders if they conflict with performance against a DX rated order.
- All rated orders must be scheduled to the extent possible to ensure delivery by the required delivery date as stated on the front of this Purchase Order.
- Suppliers who receive rated orders must in turn place rated orders with their Sub-Suppliers for the items they need to fill the orders. This provision ensures that Sub-Suppliers will give priority treatment to rated orders from Customer to Supplier to Sub-Suppliers throughout the procurement chain.

Compliance with the provisions of this regulation is required under this Purchase Order. Violators are subject to criminal penalties.

Q28 Post Weld Heat Treatment (PWHT) Services

Unless otherwise specified on this Purchase Order, all Post Weld Heat Treatment (PWHT) Services shall be performed in accordance with ASME VIII-1. As a minimum, the Material Type and Certification, Material Thickness, Maximum Temperature and Hold Time, Construction Code (Edition and Addenda), and any other special requirements that may apply shall be stated on the cover of this Purchase Order.

The data required to be submitted to AFI following the PWHT shall be as follows:

- Time / Temperature Chart
- Date of Post Weld Heat Treatment
- Item Identification
- Post Weld Heat Treatment Procedure and Revision Used
- Signature of Post Weld Heat Treatment Operator
- Calibration Date of Recorder, Thermocouples, and/or Furnace
- Location of the Thermocouples, as applicable.

Unless otherwise agreed upon, all required data is to be submitted to AFI within two (2) business days of the completion of the PWHT services.

Q29 Commercial Grade Item / Service

Unless otherwise specified on this Purchase Order, all items and/or services required by this Purchase Order shall satisfy the following:

- Items and/or services are not subject to design or specification requirements that are unique to nuclear facilities and/or activities;
- Items and/or services are used in applications other than nuclear facilities and/or activities; and
- Items and/or services have been ordered from Supplier on the basis of specifications set forth in the Supplier's published product description (e.g., a catalog).

Q30 Important to Safety

As denoted, this Purchase Order has been classified as NQA. This classification indicates that items and/or services required by this Purchase Order will either in part or in their entirety perform and Important To Safety (ITS) function when placed into service or operation. Supplier's Quality Program requirement, as stipulated by this Purchase Order, have been established based upon this designation. Strict compliance to all requirements stated or referenced in the Purchase Order is required.

The ITS designation is equivalent to the term Safety-Related (SR) as defined by 10 CFR Part 50.2. Items and/or services shall be provided in accordance the Supplier's approved Quality Program.

Q31 New and Unused

Unless otherwise specified, all materials, Components, and parts, required by the P.O., including those installed permanently installed into systems, subsystem, and or assemblies, shall be new and unused. Refurbished, rebuilt or modified items are strictly prohibited unless specifically authorized in writing by the contractor.

Q32 Manufacturing/Inspection/Test Plan

The supplier shall submit a manufacturing and inspection/test plan as required by this P.O. The plan shall detail the fabrication, assembly, installation, inspection examination, and/or test processes to be performed. The plan shall be submitted prior to Supplier initiation of any manufacturing, inspection or test activity, for incorporation of contractor source inspection hold points.