Precision Swiss Products, Inc.

Confidentiality and Non-Disclosure Agreement

Precision Swiss Products Inc., a California Corporation with a principal place of business at 1911 Tarob Court, Milpitas, CA 95035 ("PSP'"), and

_____ _____

("Recipient"), concur regarding the following recital of facts and agree as follows:

FACTS

A. PSP is in the business of designing, developing, and manufacturing proprietary precision components and processes. PSP has developed through its own research, know-how, and ingenuity, products, packaging methods, test procedures, manufacturing and marketing methods, trademarks, patentable subject matter, business concepts and related matters pertaining to (1) Swiss Screw, milling and turning machine techniques; (the "Confidential Information"). PSP reasonably believes that the Confidential Information contains novel, confidential, and protectable trade secret information, disclosure of which would do irreparable competitive injury to PSP. Confidential Information may include, without limitation, compositions, formulas, papers, drawings, notes, sketches, research, documentation, descriptions, manuals, letters, notebooks, clippings, reports, records (regardless of their forms), data, computer programs, and all copies thereof. The Confidential Information includes, but is not limited to, any documents listed on the attached Schedule A.

B. PSP is willing to disclose some or all of the Confidential Information to Recipient, in order that Recipient may perform product design, engineering, manufacturing planning, and/or other services for PSP (the "Services"). Hereinafter, "Confidential Information" may refer to only a portion of the Confidential Information described above in subsection A.

C. PSP is willing to pay Recipient a fee, which may be agreed upon by PSP and Recipient from time to time, for performing the Services.

D. Recipient, in consideration of the foregoing and for the opportunity to perform the Services for PSP, agrees to the terms and conditions as hereinafter provided.

AGREEMENT

1. Disclosure of the Confidential Information is made to Recipient in strict confidence and only for the performance of the Services.

2. Recipient agrees to make the disclosed Confidential Information available only to those persons within its organization who must necessarily receive the Confidential Information in order for the Recipient to perform the Services.

3. Recipient further agrees that when the Confidential Information is disclosed or transmitted within its organization, it will inform persons who receive the Information that it is confidential and that the Information is subject to the terms and conditions of this Agreement.

4. Recipient agrees not to communicate, disclose, make available, use, or permit the use commercially of, any portion of the Confidential Information to or by any non-party to this Agreement, including but not limited to subsidiaries and parent and affiliate companies of Recipient, without the prior written consent of an officer of PSP who is authorized to provide such consent, unless such portion of the Confidential Information:

a) now is or subsequently becomes available, without restriction, to the public through no fault of Recipient; or

b) is disclosed to Recipient by a non-party to this Agreement in lawful possession thereof and that non-party is not, by such disclosure, breaching an obligation to PSP, its successors or assigns.

5. Recipient agrees to use its best efforts to prevent inadvertent disclosure of the Confidential Information to any third party or persons within its organization that do not need the Confidential Information in order for Recipient to perform the Services.

6. Recipient shall not reproduce or duplicate any of the Confidential Information unless it facilitates the Recipient's performance of the Services.

7. Recipient and PSP agree that the Confidential Information and all copies thereof, supplied by PSP and/or made by Recipient shall be the property of PSP. All such copies in the possession of Recipient or in the possession of any of its officers, directors, employees, servants, agents, or contractors shall be promptly returned to PSP upon the completion by Recipient of the Services, upon the termination of this Agreement, or at PSP's request.

8. The Confidential Information which has not become excepted by operation of Paragraphs 4(a) or 4(b) hereof shall remain confidential after, and Recipient's obligations of confidentiality shall survive, the termination or expiration of this Agreement and the termination or expiration of any commercial relationship between PSP and Recipient.

9. This Agreement shall in no way be considered to be a license under any proprietary interest, patents, or patent applications owned by PSP.

10. This Agreement may be terminated immediately by PSP by written notice to Recipient with or without cause.

11. Recipient understands and agrees that any violation of the agreed upon obligations of confidentiality under this Agreement shall be considered by PSP to be an infringement of its proprietary rights in and to the Confidential Information, for which Recipient shall be held liable.

12. This Agreement embodies the entire understanding of the parties with respect to the subject matter hereof, and merges all prior discussions between them. Neither of the parties shall be bound by any conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof, oral or written, other than as expressly provided herein. No oral explanation or oral information by either party hereto shall alter the meaning or interpretation of this Agreement.

13. The provisions of this Agreement may be modified at any time by agreement of the parties. Any such agreement hereafter made

shall be ineffective to modify this Agreement in any respect unless in writing and signed by the parties against whom enforcement of the modification or discharge is sought.

14. Any of the terms or conditions of this Agreement may be waived in writing at any time by the party entitled to the benefit thereof, but no such waiver shall affect or impair the right of the waiving party to require observance, performance, or satisfaction either of that term or condition as it applies on a subsequent occasion or of any other term or condition hereof.

15. This Agreement shall not be assigned by any party without the prior written consent of the other party hereto.

16. Subject to the provisions otherwise contained in this Agreement, this Agreement shall inure to the benefit of and be binding on the successors and assigns of the respective parties hereto.

17. Any notice under this Agreement shall be in writing, and any written notice or other document shall be deemed to have been duly given on the date of personal service on the parties or on the second business day after mailing, if the document is mailed by registered or certified mail, postage prepaid, return receipt requested, and addressed to the parties at the addresses set forth below or at the most recent address specified by the addressee through written notice under this provision. Failure to conform to the requirement that mailings be done as provided hereinabove shall not defeat the effectiveness of notice actually received by the addressee.

18. If the services of an attorney are required by either party to secure the performance hereof or otherwise upon the breach or default of the other party, or if any judicial remedy or arbitration is necessary to enforce or interpret any provision of this Agreement or the rights and duties of any person in relation thereto, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and other expenses, in addition to any other relief to which the prevailing party may be entitled. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

19. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated.

20. The rights and obligations of the parties and the interpretation and performance of this Agreement shall be governed by the law of California, excluding its conflict of laws rules.

21. With respect to the Recipient's performance of the Services, time is of the essence.

Precision Swiss Products Inc.,
a California corporation
1911 Tarob Court
Milpitas, CA 95035

Date:_____ By:_____
(Norbert Kozar C.E.O.)

Address: 1911 Tarob Court
Milpitas, CA 95035

RECIPIENT

Recipient Name: _____
(Print)

Company Name: _____
(Print)

Address: _____

_____

_____

Date:_____ Signature:_____

Quality System Survey

(Supplier Questionnaire)

Organizations Name:	PRECISION SWISS PRODUCTS, INC	**PEAR 7.4-009**	**Rev:** B
Responsible Person:	C.Q.O & QUALITY	**Effective Date:**	04/12/2014
Related Quality Process:	PEAR-7.4 Purchasing Process		
Related Standards:	ISO9001, ISO13485, AS9100	Section:	7.4

Supplier Name:			
Facility Address:			
Phone Number:		**Fax Number:**	
Email:			

COMPANY INFORMATION:

Pease check all that apply: ☐ Manufacturer ☐ Distributor ☐ Process/Service

If your company's Quality System is 3rd-part certified you do not need to complete the entire questionnaire.
Complete and sign this page and attach a copy of your (ISO9001 or other) Certificate.

Other: _____ (Such as NADCAP)

Quality System: _____ ☐ Certified ☐ Compliant Only

◊ If you are a Manufacturer or provide a Service please complete the entire questionnaire.

◊ If you are a Distributor you need only complete Sections 6 (purchasing) & 16 (Records)

Type of manufacturing, service or products: _____

_____

Business Mix: Military/Aerospace: _____ Commercial:_____ Medical: _____

Total Number of employees: _____ Number of Quality personnel: _____

Person responsible for Quality: _____ Title: _____

Person responsible for Engineering: _____ Title: _____

Person responsible for Purchasing: _____ Title: _____

By signature, you agree to notify Precision Swiss Products, Inc. in writing when "significant organizational, capacity, facility or Quality system changes" occur, such as production location or senior quality management

I hereby certify the information submitted on this questionnaire to be true and accurate at this time

Survey complete by: _____ Title:_____ Date: _____

IF YOUR SYSTEM IS ISO AND/OR NADCAP APPROVED, SEND THE FIRST PAGE WITH A COPY OF YOUR CERTIFICATE. IF IT IS NOT ISO AND/OR NADCAP APPROVED, PLEASE COMPLETE THE FOLLOWING SECTIONS:					
1.	**MANAGEMENT RESPONSIBILITY**	**PROCEDURE #**	**YES**	**NO**	**NA**
1.1	Does your company have a defined and documented mission statement or quality policy?				
1.2	Is the quality system reviewed on a regular basis by management to ensure its effectiveness?				
1.3	Has a person been assigned the responsibility of administering the quality system?				
1.4	Have the responsibilities and authorities of all persons who have an effect on quality been defined?				
2.	**QUALITY SYSTEM**	**PROCEDURE #**	**YES**	**NO**	**NA**
2.1	Does your company have a quality manual?				
2.2	Is your quality policy understood and implemented at all levels of your organization?				
2.3	Does your company generate quality plans in accordance with specific customer requirements?				
2.4	Are there procedures that are specific to all quality-related activities?				
2.5	Does your company establish, implement, and maintain a process for managing risk?				
2.6	Does your company establish, implement, and maintain a process to plan and control work transfers?				
3.	**CONTRACT REVIEW**	**PROCEDURE #**	**YES**	**NO**	**NA**
3.1	Are the personnel responsible for the contract reviews defined?				
3.2	Are all associated contractual terms, conditions, quality clauses and customer specifications reviewed, approved and documented?				
3.3	Are there procedures that explain how differences between contract / P.O. and the proposal / quote are resolved?				
3.4	Are there procedures that define how changes and amendments to a contract are accomplished?				
4.	**DOCUMENT AND DATA CONTROL**	**PROCEDURE #**	**YES**	**NO**	**NA**
4.1	Are there documented procedures to control customer and industry standard drawings and specifications?				
4.2	Are changes to any documents reviewed and approved by the same functions that developed the document, unless otherwise specifically designated?				
4.3	Is there a master revision list or other document control method to ensure that obsolete drawings and documents are not used?				
4.4	If obsolete documents are retained for legal or knowledge preservation purposes, are they removed from your system or marked to indicate “For Reference” or “Obsolete”				
4.5	Are there procedures that define how drawings and documents are updated and ensure that only current revision documents are used?				
4.6	Are documents available to all parties that need them to perform any quality-related function?				
5.	**PURCHASING**	**PROCEDURE #**	**YES**	**NO**	**NA**
5.1	Do you evaluate and select suppliers based on their ability to meet your quality requirements?				

5.2	Are there procedures that describe how suppliers are selected and retained?				
5.3	Is the quality performance of suppliers used to maintain a list of approved suppliers?				
5.4	Is there a supplier corrective action system?				
5.5	Do you have a function that reviews purchasing requirements to ensure that the material purchased meets customer requirements?				
5.6	Do you flow down quality requirements to your suppliers?				
6.	**CONTROL OF CUSTOMER-SUPPLIED PRODUCT**	**PROCEDURE #**	**YES**	**NO**	**NA**
6.1	Are there procedures that define how customer-supplied products and equipment are controlled and maintained?				
7.	**PRODUCT IDENTIFICATION AND TRACEABILITY**	**PROCEDURE #**	**YES**	**NO**	**NA**
7.1	Are there procedures for identifying product from receipt through all stages of production?				
7.2	Are all lots of product identified and traceable through receiving, processing, stock and delivery?				
8.	**PROCESS CONTROL**	**PROCEDURE #**	**YES**	**NO**	**NA**
8.1	Are there procedures for identifying and planning for processes that directly affect quality?				
8.2	Are there work instructions for all production processes that affect quality and delivery?				
8.3	Do you monitor these instructions to ensure that they are being followed?				
8.4	Are the required certifications maintained for special processes such as Soldering, Welding or NDT?				
9.	**INSPECTION AND TESTING**	**PROCEDURE #**	**YES**	**NO**	**NA**
9.1	Are there documented procedures for inspection and testing of product for receiving, in-process and final acceptance?				
9.2	Is incoming product subject to inspection prior to being released to processing or storage?				
9.3	Are in-process and final inspections performed where necessary?				
9.4	Are there procedures that define the methods used to perform inspection duties?				
10.	**CONTROL OF INSPECTION, MEASURING AND TEST EQUIPMENT**	**PROCEDURE #**	**YES**	**NO**	**NA**
10.1	Are all measuring and test equipment used on products, including employee-owned inspection equipment, calibrated on a regular basis?				
10.2	Are the calibration / certification records traceable to NIST or recognized national or international standards?				
10.3	Who performs your measuring and test equipment calibrations? _____				
10.4	Is all measuring and test equipment identified with the calibration status?				
11.	**CONTROL OF NONCONFORMING PRODUCT**	**PROCEDURE #**	**YES**	**NO**	**NA**
11.1	Is nonconforming product identified and segregated from conforming product to preclude inadvertent processing, storage or shipment?				
11.2	Are records maintained for the disposition of nonconforming product?				

11.3	Are repaired or reworked products re-inspected in accordance with the customer's requirements prior to shipment?				
11.4	Is FOD Control Process in place?				
12.	**CORRECTIVE AND PREVENTATIVE ACTION**	**PROCEDURE #**	**YES**	**NO**	**NA**
12.1	Are the causes of nonconformance's investigated and resolved?				
12.2	Is there a system for assigning responsibility for corrective actions to prevent recurrence?				
12.3	Are processes, procedures, records and customer complaints reviewed and analyzed in order to improve your standards of quality?				
12.4	Are preventive actions implemented that will prevent potential nonconformances?				
12.5	Are procedures revised to reflect any changes brought about as a result of a corrective or preventive action?				
12.6	Is the effectiveness of corrective or preventive actions verified?				
13.	**HANDLING, STORAGE, PACKAGING, PRESERVATION AND DELIVERY**	**PROCEDURE #**	**YES**	**NO**	**NA**
13.1	Are there procedures for handling, storage, preservation and packaging of product?				
13.2	Do controls exist for identification and storage of limited shelf life materials?				
13.3	Do controls exist for handling and packaging of static sensitive devices?				
13.	**CONTROL OF QUALITY RECORDS**	**PROCEDURE #**	**YES**	**NO**	**NA**
13.1	Are there procedures for identification, collection, storage, and the retention period of records?				
13.2	Are records maintained for product acceptance to purchase order / customer requirements?				
13.3	Are records of calibrations maintained?				
13.4	Are training records and personnel certifications maintained?				
14.	**INTERNAL AUDITS**	**PROCEDURE #**	**YES**	**NO**	**NA**
14.1	Are internal system audits performed on a regularly scheduled basis?				
14.2	Are these audits performed by individuals not directly involved in the tasks audited?				
15.	**TRAINING**	**PROCEDURE #**	**YES**	**NO**	**NA**
15.1	Are there procedures for identifying training needs for personnel affecting quality?				
15.2	Have personnel for assigned duties been qualified by education, training or experience as required?				
NOTES AND COMMENTS:					

PRECISION SWISS PRODUCTS, INC. USE ONLY					
☐ Approved ☐ Disapproved ☐ Conditional Approval (See Notes and Comments)					
Approved through: ☐ 3rd Party ☐ Survey ☐ On-site Audit On-site Audit Date: _____					
APPROVED/DISAPPROVED BY:					
Name:		Position:		Date:	
Name:		Position:		Date:	

INFORMATION RELATED TO PROCESS EFFECTIVENESS:		
Last audited: 04/14/2014 **Audit performed by:** Daniela Kozar (Quality Compliance Manager)		
REVISION HISTORY:		
DOCUMENT NUMBER	Rev.	Description of Change
PEAR 7.4-009	A	Initial Release
PEAR 7.4-009	B	Change of Content and Format to allow for a more accurate assessment of the vendor/supplier
If printed this document becomes uncontrolled and is for reference only.		

SUPPLIER PRODUCT ASSURANCE REQUIREMENTS

Purpose

This document establishes Supplier Product and or Service Quality Assurance Requirements.
Unless otherwise specified, requirements referenced herein shall be in effect and binding from the date of purchase contract.

Definition and Abbreviation

A. ORDER means the purchase order and or other written and binding contract with Supplier and or Vendor (Seller).
B. BUYER or PSP means Precision Swiss Products, Inc.
C. SUPPLIER and or VENDOR means legal entity that contracts with Buyer under this Supplier Product Assurance Requirements.
D. SPAR means Supplier Product Assurance Requirements.
E. Special Processes are those yielding products which cannot be adequately evaluated for conformance through inspection or non-destructive testing. These include welding, plating, heat treating, bonding, soldering and so on.
Special processes are evaluated through one or more of the following processes: certification, training records of personnel involved in the process, process procedures or work instruction and destructive testing of samples.

SPAR-1 Prohibited Practices

Supplier shall not implement any changes to the purchased product and or process without prior notification to Buyer and written approval by Buyer. Changes can include but are not limited to product specification, product identification, material, processes.
Supplier shall not make any changes in product design, composition, configuration (including fit form and function), material or fabrication without prior approval by Buyer in writing.

SPAR-2 Unauthorized Submittal of Production Parts

When the order requires Buyer acceptance of first article, Supplier shall not submit part from production run prior to Buyer's acceptance of first article.

SPAR-3 Responsibility for Conformance

Purchased items and or processes must be certified to purchase order requirements.
Product must be inspected prior to shipping and meet specified requirements.
If purchased items and or processes are outsourced Supplier must request a written approval from buyer; and all SPAR applies to sub tier Supplier.
Certificate of conformance is required for all purchased processes and or product stating that the purchase order specific requirements have been met.

SPAR-4 Documentation

Buyer may refuse to accept items delivered under the Order if Supplier fails to submit the certification, test data or reports specified in the Order.
All records that are created by and/or retained by vendor/suppliers shall be controlled and identified in such way to allow for traceability to the purchased service and or process, cross-reference customer purchase order and or job number.
All records shall be stored in such way to allow for timely retrieval, prevent damage and ensure legibility.

SPAR-5 Record Retention

Vendor/supplier must keep records and or documents involving the purchased service and or process for a minimum of 10 years unless otherwise specified.
Documents must be disposed of after retention time. Disposition can include but is not limited to shredding, burning or deletion of soft copies.

SPAR-6 Certification of Conformance

With each shipment of items covered by this Order, Supplier shall submit a certificate of conformance, signed by a responsible representative, which shall constitute a representation by supplier that:

a) Material and/or services used are those which have been specified and supplied by the Buyer. Supplier/Vendor may not purchase or use any material other than what is provided by the Buyer with the exception of receiving written approval from the C.E.O. of Precision Swiss Products, Inc. This exception must be written on the Certificate of Conformance. All purchased material must be supported with a certificate stating the material chemical or physical composition, verification of origin of material and any other required evidence of conformance of such items to applicable specifications noted on purchase contract and/or Customer drawing and must have the Suppliers/Vendors Purchase Order Number located on the material certificate.

b) Processes used to fulfill the purchased contract were in compliance with applicable specifications noted on the purchase contract and/or Customer drawing;

c) Certification furnished under the terms of the Order shall be supported by test records, and data is subject to audit by Buyer.
In case of drop shipment, a copy of the Certificate of Conformance shall accompany the shipment and a second copy shall be sent to the Buyer at time of shipment.

SUPPLIER PRODUCT ASSURANCE REQUIREMENTS

SPAR-7 Nonconformance/Corrective Action Request
Buyer will request a nonconformance report and/or a corrective action from Supplier when a quality problem exists. Supplier shall provide the CAPA within 7 business days. Corrective action shall include the following information: analysis of cause, immediate action taken and long term corrective action taken. Supplier will use Buyers 5 Why Root Cause Investigation form as well as Buyers CAPA form. This will be provided by the Buyer at the time of the request.

SPAR-8 Standards of Workmanship
Supplier must maintain written standards of workmanship directly applicable to the nature and level of work performed under this Order. A copy shall be supplied to Buyer upon request. Buyer reserves the right to perform inprocess inspections and or audits at any time during the life of the purchase order.
All personnel involved in the purchased process must be qualified.

SPAR-9 Nonconformance
Vendor/Supplier must notify PSP of any nonconformance, changes in product and or processes, and arrange for approval. Supplier shall initiate a discrepancy report for any departure from the drawing and/or purchase requirement.

SPAR-10 Access to Facilities
Supplier grants PSP, PSP's job related customers, and regulatory authorities' right of access to all facilities and records involved in the Order. Buyer will notify the vendor/supplier if onsite inspection is required and will state the verification arrangements.

SPAR-11 Lot control and Product and/or Service Identification
Product must be clearly identified and separated according to purchase requirements listed on the purchase contract. Minimum identification requirements are: part number, revision letter, lot/job number. Items furnished under this Order must be identified on the smallest unit packaged.

SPAR-12 Quality System
Supplier shall maintain a quality system that complies at a minimum with ISO 9001. All equipment used in the purchased process and/or for the purchased item must be calibrated and the calibration system shall be maintained. Waivers to quality system requirements are not valid unless obtained in writing from Buyer. Supplier's quality system may be subject to audit by the Buyer and/or Buyer's Quality Representative.

SPAR-13 Packaging and Shipping
Unless otherwise specified in the purchase contract, Supplier shall package all material in a manner to ensure protection against cross contamination, product mix-up and/or exposure to foreign objects, corrosion, oxidation, deterioration. Furthermore, all product shipped from Supplier/Vendors facility must be packaged in a way to preserve the conformity and integrity of the product, protection from environmental conditions (such as extreme temperature and water) during storage, handling and delivery to the intended destination. If any shipping damage shall occur, it is the full responsibility of the Supplier/Vendor.

SPAR-14 Flow Down
Supplier shall flow down this requirement to any sub tier Suppliers that have been approved by the Buyer.

SPAR-15 Revision Level of Specifications
Supplier shall use the most current revision level at the time of the Purchase Order, for any specification.

NOTE 1:
All Suppliers to PSP are required to disclose any use of "Conflict Minerals" (see Conflict Materials Sheet). PSP reserves to right to cancel any purchase order whose content is manufactured or contains "Conflict Material"
All Material Certs need to clearly state the use of conflict material.

I, _____ _____ _____

PRINT NAME *TITLE* *COMPANY*

HAVE READ THE ABOVE PSP SUPPLIER PRODUCT ASSURANCE REQUIREMENTS AND VERIFY WITH MY SIGNATURE AS AUTHORIZED SUPPLIER REPRESENTATIVE THAT THE ABOVE MENTIONED SUPPLIER WILL COMPLY WITH ALL SPAR REQUIREMENTS AS LISTED IN THIS PROTOCOL.

_____
Signature of Authorized Supplier Representative