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October 27, 2011

Mr. Mike Kowatch
Product Evaluation Systems, Inc.
637 Donohoe Road
Latrobe, PA 15650

SUBJECT: Quality Assurance Audit Report of Product Evaluation Systems, Inc.
ALC Audit # 2011-0130

Dear Mike,

The following is a summary of the Quality System Audit conducted by the Allegheny Ludlum Corporation (ALC) Corporate Quality Assurance Department of Product Evaluation Systems, Inc. (PES) on October 11, 2011.

AUDIT SCOPE

The scope of the audit is defined in the attached QA Audit Plan which includes nuclear code requirements: ASME Section III Subsection NCA 3800, 10CFR50 Appendix B, 10CFR21, NQA-1 & supplements; Aerospace requirements (i.e. AS-9100, PWA, Nadcap), ISO/IEC-17025 requirements and others as applicable as well as ALC imposed contractual requirements. The audit was conducted using the Standard Allegheny Ludlum Subcontractor Quality System Program Audit Checklist based on ISO-9001, Nuclear, Automotive, Aerospace and Customer Requirements, Rev 4/6/09.

SUBCONTRACTED PRODUCT / SERVICE PROVIDED

Test Preparation, Analytical and Mechanical Testing

SUBCONTRACTOR QUALITY MANUAL / PROCEDURES REVIEWED / APPROVED

Product Evaluation Systems, Inc. Quality Assurance Manual, Revision 3, dated 10/13/10.

AUDIT RESULTS, CORRECTIVE ACTIONS, OBSERVATIONS, AND / OR RECOMMENDATIONS

The results of the audit were satisfactory, and indicate that Product Evaluation Systems, Inc. is in general compliance with its Quality Manual, procedures and imposed contractual requirements. The audit resulted in no findings requiring a formal corrective action response to ALC.

APPROVAL STATUS

Based on the results of this audit, ALC has found Product Evaluation Systems, Inc. to be effectively implementing their Quality Assurance Manual, Revision 3, dated 10/13/10. Product Evaluation Systems, Inc. is approved by ALC and will be retained on the ALC Approved Suppliers/Subcontractors List for Nuclear Applications for the product service identified.

Attached is a copy of the Allegheny Ludlum ALSP.GEN.1, Rev. 2, General Quality Requirements that are imposed by ALC as part of this approval.

If for any reason Product Evaluation Systems, Inc. cannot fulfill these requirements, please notify me in writing upon receipt of this letter or by e-mail at wally.edsall@ATImetals.com.

As always, thank you for the hospitality extended during my visit.

Best regards,

A handwritten signature in black ink, appearing to read "Wally Edsall". The signature is fluid and cursive, with the first name "Wally" being more prominent than the last name "Edsall".

W. D. Edsall

Lead Auditor, Corporate Quality Assurance
Allegheny Ludlum Corporation

ATTACHMENTS

Enclosures:

1. Allegheny Ludlum ALSP.GEN.1, Rev. 2
2. QA Audit Plan
3. Personnel Contacted Form