McCay Tool & Engineering Co, Inc.

Purchase Order Attachment Terms & Conditions

This document establishes the general procurement terms and conditions issued to Vendors/Suppliers (Seller) as referenced on all purchase contracts issued by McCay Tool & Engineering Co., Inc. (Buyer) as well as vendor specific quality flow down clauses issued by McCay Tool & Engineering Co., Inc. and/or its Customer(s).

Reference to these flow-down provisions, as well as all other provisions on the face of the purchase contract (PC), incorporates all applicable clauses of this document as set forth in full text, except to the extent expressly altered in the McCay Tool & Engineering Co., Inc. purchase contract.

No date of issue or revision is listed for referenced Government clauses or standards (FAR, DFARS, MS, NAS, AN, etc.). It is understood that from time to time these clauses are changed/updated/deleted. Unless specifically stated otherwise, the clause(s) incorporated into the contract are those in effect as of the date of order, or issuance of the McCay Tool & Engineering Co., Inc. purchase contract, whichever is earlier.

SUPPLIER QUALITY ASSURANCE REQUIREMENTS AND QUALITY CLAUSES

PURPOSE

To establish the Supplier general provisions and quality requirements applicable to procured materials / products / services ordered under a contract / purchase order issued by McCay Tool & Engineering Co. of which this F-742-001 is an attachment.

To establish specific flow down Quality Assurance Clauses applicable to the procured materials / products/ services.

DEFINITIONS AND ABBREVIATIONS

1) *MTE* – McCay Tool & Engineering, Co.
2) *Supplier* – The person(s) and/or Company/Corporation providing goods and/or services to MTE.
3) *Contract* – The Contract, Sub-Contract, Purchase Order or other written agreement between MTE and the Supplier.
4) *Product* – The result of activities or processes. A product shall include, but not be limited to: services, hardware, software, processed material, or a combination thereof.
5) *PO* – Purchase Order issued by MTE.
6) *NIST* – National Institute of Standards and Technology.
7) *DOD* – Department of Defense.
8) "FAR" - the Federal Acquisition Regulation
9) "DFARS" - the Defense Federal Acquisition Regulation Supplement
10) "Promise Date" or "Schedule Delivery Date" - the date of receipt at destination, not ship date, irrespective of FOB point.
11) "Property" – all tangible property including material that may be consumed or expended during the performance of a contract.

GENERAL REQUIREMENTS

Unless otherwise specified in the Contract, all of the following general requirements apply to a contract issued to a Supplier by MTE.

1. Purchase Order Receipt and Verification:

The Supplier shall verify all purchase orders issued by MTE upon receipt. Any discrepancies in price, quantity, specifications, quality requirements, packaging, or delivery requirements shall be communicated to and resolved with MTE purchasing before taking action on the purchase order. Upon acceptance and during the performance of the purchase order, all Supplier sub-tier Suppliers shall have the flow down of all the MTE issued purchase order requirements to include key characteristics as identified on the purchase order.

2. Delivery:

MTE expects 100% on time delivery. Deliveries are considered on time, if the required product, as specified on the purchase order, is received on the due date or up to 30 days early. Delivery and Quality performance will affect the Suppliers rating, The Supplier shall notify MTE before the delivery date whenever a delivery date will not be met. Standard receiving hours are between 7:00 AM and 3:30 PM, (CST) Monday through Friday, announced holidays excluded. Deliveries will not be accepted outside of these hours unless specific arrangements have been made and approved by MTE Purchasing Department. Applicable documents, such as, packing lists, certification of conformance, certificates of analysis, material data safety sheets, etc., shall arrive with, or prior to receipt of the shipment. Seller guarantees that all goods and services to be delivered hereunder shall be delivered in accordance with the scheduled delivery date set forth in the Order. Where the Supplier does not meet the required delivery

date then the Buyer will be entitled to recover damages, which will be calculated one of two ways (Options). The Buyer will select which option is used to calculate the actual damages. No damages will be calculated for any delay caused by the Buyer. Option one (1) the Seller shall credit to the Buyer's account an amount equal to the product of the applicable percentage specified below and the total cost of the goods or services so delinquent: 0-15 days late, 5%; 16-22 days late, 10%; 23-30+ days late, 20%. Option two (2) the Seller agrees to pay the Buyer one hundred fifty ($150) dollars for each day that the Supplier does not meet the required delivery date. The calculation for damages regardless of the option selected will begin after the seventh (7th) day after the delivery date set forth in the Order. The parties expressly agree that damages are cumulative with, and do not exclude, any other right or remedy Buyer may have, at law or in equity, for breach of any term of this Order.

3. Conformance to Requirements:

MTE expects all materials and components to arrive defect free. “Zero Defects” must be the standard for all Suppliers to MTE.
Product is expected to meet all purchase order and referenced engineering specifications unless arrangements have been agreed upon between MTE Purchasing, Engineering, and Quality Assurance as necessary and the Supplier, in writing, prior to shipment.

4. Unauthorized Repairs:

Suppliers shall not repair products damaged or found to be faulty during fabrication by any method including, but not limited to, welding, brazing, plugging, soldering or use of adhesives, nor repair by any method, defect in castings or forgings, unless authorized by MTE in writing.

5. Unauthorized Change in Processes, Materials or Specifications:

Suppliers shall not substitute or change any processes, materials or specifications as defined on the purchase order without prior MTE approval. Specification(s) / Standards listed on the purchase order shall be of the latest current revision status available unless identified on the purchase order. NOTE: Unless otherwise specified use of superceding Industry or Military Standard Specifications shall be accepted provided a notice of cancellation and/or supersession can be obtained by MTE as verification.

6. Proper Submittal of Documentation:

Adequate records of inspections and tests shall be maintained through the use of tags, data sheets, etc. Test results shall be recorded. Actual inspection readings shall also be recorded, when required by the PO. Copies of this data shall be maintained on file and supplied to MTE upon request. MTE may refuse to accept products under this contract if the Supplier fails to submit the certification, documentation, test data or inspection data as specified on the PO.

7. Responsibility of Product Conformance:

Neither surveillance, inspection and/or test made by MTE, their representatives, or Government Source Inspectors at either the Supplier’s or MTE facility, nor the Supplier’s compliance to all applicable quality assurance requirements shall relieve the Supplier of the responsibility to furnish products, which conform to the requirements of the contract.

8. Improper Submittal of Previously Rejected Products:

Product previously rejected by MTE and reworked or replaced by the Supplier, shall be identified in the shipping documents with reference to MTE nonconforming material (NCMR) number and shall have new certification documents with the shipment of the returned product. Failure to identify previously rejected product may be cause for rejection and return of the material at the Supplier’s expense.

9. Notification of Change:

The Supplier shall notify MTE, in writing, of all process, design, fabrication, testing, facilities and material changes affecting the form, fit, function, reliability or interchangeability of end item specification or drawing requirements during the performance of this contract. The Supplier shall afford MTE an opportunity to examine such changes for compliance to the contractual Quality Assurance Requirements including any necessary approvals. Failure to notify MTE may result in removal from the MTE approved Suppliers list.

10. Access to Supplier's Facility:

MTE and MTE's customer's representative(s) and Government representative(s) reserve the right to access the Supplier's facility, and their lower-tier Suppliers, to assure that the Supplier's product(s) complies with the requirements of the contract issued to the Supplier. MTE quality assurance representative(s), customer's representative(s), and Government representative(s) reserve the right to audit and approve and/or disapprove potential Suppliers and their lower-tier Suppliers prior to award of a contract.

11 Clarifications:

The Supplier shall have a clear understanding of the requirements before proceeding with the execution of a contract issued by MTE. The Supplier shall document, in writing to MTE, necessary clarifications. The Supplier shall agree that MTE's written response provides adequate clarification.

12. Disputes:

In the event of any dispute or disagreement arising under or relating to this contract, the parties agree to make diligent and reasonable attempts to resolve through negotiations all such disputes or disagreements prior to resorting to any remedy available in law or equity. Either party may litigate any dispute arising under or relating to this Contract before a court of the state from which Buyer's Order is issued. Pending resolution of any such dispute by settlement or by final judgment, the parties shall proceed diligently with performance. Contractor's performance shall be in accordance with MTE's written instructions. In the event litigation is pursued, the prevailing party shall be entitled to recover its reasonable costs and expenses including, without limitation, its reasonable attorneys' fees.

Conflicts between the requirements of this document and applicable product specifications, engineering drawings or regulatory standards, the latter documents shall govern

13. Nonconforming Material:

The Supplier shall establish and maintain an effective and positive system for controlling nonconforming or defective materials pertaining to the identification, segregation, and disposition of such materials. Prompt action to correct assignable conditions contributing to non-conformance is recommended as part of the inspection system.
Non-conforming product returned to the Supplier shall be reworked to the original drawing / specification requirement or replaced; no repair or use-as-is disposition is allowed without the written approval of MTE.
When product is rejected at MTE and returned to the Supplier for replacement or rework, the return of the product shall be identified on the packing list with the Nonconforming Material Report (NCR) number issued by MTE and all applicable quality documents and certifications shall be submitted with the return of the replacement / reworked product.
The Supplier shall notify MTE of any nonconforming product prior to shipment and then nonconforming material, if dispositioned for shipment to MTE, shall be identified and packaged separately from conforming products. The Supplier's packing list shall identify the correct quantity of nonconforming and conforming product on separate lines.
Supplier shall comply with AS6174 Counterfeit materials and their identification.

14. ISO / AS Certified Quality System and NADCAP Processes Approvals:

Suppliers certified to an ISO or AS quality system regulatory standard or equivalent standard and/or NADCAP accreditation as used for approval by MTE to verify quality system controls and/or process controls and used to add to MTE approved Supplier listing shall notify MTE immediately, if that certification / accreditation was not renewed or was revoked.

15. Quality Program Requirements:

The Supplier shall establish and maintain a quality system to the requirements of ISO 9001 or AS9100 or an equivalent, MTE approved quality system. The Supplier's quality system shall be approved by MTE and is subject to review and approval at all times by MTE. The Supplier retains full responsibility for ensuring that all products, lower-tier Suppliers, supplies used, and/or services furnished hereunder, comply with all applicable requirements of the ISO 9001, AS9100, or equivalent approved quality system. A copy of the Supplier's ISO 9001, AS9100, or equivalent registration shall be sufficient for compliance to this Supplier quality requirement and shall be supplied to MTE when the registration is renewed.

All Suppliers used by McCay Tool & Engineering shall be identified as "Active" and maintained on an approved Supplier listing.

16. Supplier Rating System:

Product ordered under a contract issued by MTE is included in MTE's Supplier rating system. The rating system is comprised of the incoming inspection yield and adherence to the PO delivery schedule. The rating system is used as a method of measuring the effectiveness of the Supplier's inspection system and/or control of processes. The Supplier's rating may affect the acceptance of shipments by MTE, or future procurements.

17. MTE Acceptance at Destination:

The product(s) ordered under a contract issued by MTE are subject to final acceptance at their destination.

18. Domestic Materials / Certificate of Origin:

Unless otherwise specified in the contract, all materials purchased on the order issued by MTE shall be domestic materials and the Supplier shall supply a statement on the raw material certification that the country of origin of the metal is domestic or is a qualifying country, as defined in DFAR 225.003 (9). NOTE: Qualifying countries are listed in DFAR 225.872-1.
The product(s) ordered under a contract issued by MTE are required to be in compliance with the listed DFAR's as identified:
DFAR 225.1101 (2) "Buy American Act" applies {Use Clause at DFAR 252.225-7001}
DFAR 225.1101 (3) "Qualifying Countries Sources" applies {Use Clause at DFAR 252.225-7002}
DFAR 252.225-7014 "Preference for Domestic Specialty Metals" applies (Deviation 2008–O0002)

19. Record Retention:

Seller shall maintain records of inspections, tests, and process controls called for by this contract. Unless extended record retention requirements are specified elsewhere in this contract or attachments, (e.g. drawings, management reports, etc.) these documents shall be on file and available to Buyer for seven (7) years following the end of the calendar year in which the final entry was made. At any time during the retention period, at Buyer's request, Seller will deliver said records, or any part thereof, to Buyer, at no additional cost to Buyer. Fracture Critical Traceable items shall have an indefinite retention period for the life of the program.

20. Rejection of Product using Sample Inspection:

When the Supplier uses sampling inspection as a means of product acceptance, the sampling plan shall be justified on the basis of recognized statistical principles and appropriate for use (i.e., matching the sampling plan to the criticality of the product and to the process capability). MTE reserves the right to use sampling plans in

accordance with ANSI/ASQ Z1.4, using an Acceptance Number (Ac) of zero (C=0), or other statistically valid sampling methods consistent with MIL-STD-1916.

21. Commercial (Catalog) Items:

Suppliers providing commercial catalog items (COTS) through a distributorship shall demonstrate quality program requirements to AS9120, or an equivalent quality program, at a minimum the Supplier shall provide a certificate of conformance to the requirements as stated on the contract / purchase order with reference to the purchase order number. This C of C provided by the Supplier shall be signed by an official of the Supplier's company for compliance to the MTE PO requirements and Supplier catalog specification / standards / drawings as applicable.

22. Indemnification:

Contractor agrees to indemnify and hold MTE, its officers, employees, agents, and representatives, harmless from any and all claims, fines, penalties, offsets, liabilities, judgments, losses, damages, costs and profit disallowed, or expenses (including reasonable attorney's fees) for:

(a) Property damage or personal injury including death, of whatever kind or nature arising out of, as a result of, or in connection with Contractor, its employees', agents', Subcontractors', and lower-tier Subcontractors' performance pursuant to this Contract,

(b) Any liability which arises as the result of failure of Contractor or its lower-tier Subcontractors to comply with any law, regulation, or clause whose terms are part of this Contract, and/or

(c) Claims from any person and for whatever reason, including negligence, due to any first aid or ambulance services provided or not provided by MTE.

(d) Liability from any actual or alleged patent, copyright, trademark, or trade secret infringement by reason of any manufacture, use, or sale of any articles delivered by Contractor under this Contract, or for any items manufactured from reports, drawings, blueprints, data, or technical information delivered by Contractor under this Contract.

23. Shipment Routing and Freight Provisions:

Contractor is to adhere strictly to MTE's routing instructions. Any losses or additional expense incurred by MTE that results from deviations from MTE's routing instructions contained herein shall be charged to the Contractor. Contractor will contact the MTE Procurement Representative if routing instructions are questionable.

24. WARRANTY

In addition to all other warranties expressed or implied in law, the Contractor warrants that the items delivered hereunder will conform to all applicable specifications, drawings, samples, symbols or other descriptions furnished by MTE and will be merchantable, of good material and workmanship and free from defects. This warranty shall remain in effect for a period of twelve (12) months from the date of MTE's acceptance of the applicable item. In case any such item shall be defective or otherwise not in conformity herewith, Contractor shall at MTE's option and in addition to all other remedies of MTE's, either credit MTE for any such nonconformity or defects, or at Contractor's expense replace, repair, or correct any such article. Contractor agrees to make all corrections to the satisfaction of MTE and/or the Government. Should the Government require acceptance of items not conforming to all specifications or other description, payment will be made at an equitable reduction in price. This warranty shall survive acceptance and run to MTE, its successors, assigns, customers and users of its products.

25. INVOICES AND PAYMENT

Contractor shall prepare at time of shipment full and complete invoices for the work performed and shall deliver two (2) copies of said invoices by mail or otherwise to MTE. Contractor shall be paid the prices stipulated herein

for supplies delivered and accepted, less applicable deductions, if any. Payment due date, including prompt payment discounts, shall be based on the date articles are received or services completed, or the date a correct invoice is received, whichever is later. For purposes of earning the discount, payment is deemed made on the date of mailing MTE's check. MTE may, at its option, make payment to the Contractor prior to the delivery and/or acceptance of supplies and/or services.
Each Contractor invoice shall be for delivery/completion of articles on only one PO. When there are several items to be invoiced during a given month, Contractor shall limit the number of submitted invoices on this Contract to one per month when possible, with multiple items on a given invoice. Each Contractor invoice shall contain as a minimum the PO number, PO line item for each article, article description (including serial numbers, if required), quantity delivered of each article, invoiced amount for each article, and the total amount of the submitted invoice. Unless otherwise stated in the PO, invoiced amounts for each article must exactly match what is in the PO. MTE shall be entitled at all times to set-off any amounts owed by Contractor to MTE against any amount payable by MTE to Contractor. Except as otherwise provided for in this PO, no payment for extras shall be made unless such extras and the price therefore have been authorized in writing by MTE.

26. DPAS Rated Orders

If this is a DPAS rated order, the DPAS rating will be found on the purchase order.
DPAS Statement: DPAS Rated orders are certified for national defense use, and you are required to follow all of the provisions of the Defense Priorities and Allocation System regulations. (15 CFR 700) This statement shall be flowed down to all subcontractors utilized by your company to manufacture this item. Additionally, in the event of a late delivery, notify MTE immediately as to provide timely notification to its customer. For priority levels of each DPAS rating refer to 15 CFR 700, 700.11, or 700.12.

27. Conflict Minerals

"Conflict Minerals" refers to the sourcing of minerals or derivative metals that contain columbite-tantalite (coltan), cassiterite, gold, wolframite and the derivatives tantalum, tin and tungsten from the Democratic Republic of the Congo (DRC), and adjoining countries. Revenue from the mining and transport of these conflict minerals is believed to be financing or benefiting groups that are responsible for human rights violations. Therefore, MTE requires suppliers to:

- To fully support the objectives of the U.S. Securities and Exchange Commission's (SEC) adopted final rules, implementing Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Conflict Minerals Rule")
- To not knowingly procure or supply products or materials that contain "Conflict Minerals" that fund conflict in the DRC region.
- To perform due diligence to only supply from sources that avoid the use of "Conflict Minerals", and therefore they are said to be "Conflict Free".

QUALITY CLAUSES

One or more of the following Quality Clauses (QC) are a requirement of the contract / purchase order issued by MTE when specified by number.

QC1. CERTIFICATE OF COMPLIANCE

The Supplier shall submit a Certificate of Compliance stating that the product(s) furnished on this contract conform to the quality assurance requirements, drawings, materials, processes, test specifications and all other applicable specifications. The Certificate of Compliance shall accompany each shipment. The Supplier shall have records upon request of MTE or MTE's customer representative(s). All Certificates of Compliance shall contain the following information, when applicable, and shall be validated by an authorized Supplier's representative, by either an inspection stamp or a signature: Supplier's name and address, MTE PO number, product number,

revision level, serial number, heat, lot, batch number, material and/or process specifications, and actual measurements or reference to test inspection documentation as applicable.

QC1.1 CERTIFICATE OF COMPLIANCE (Special Process Approved Suppliers)

For contracts / purchase orders issued to Suppliers that are designated by MTE customer requirements as “Special Process Approved Suppliers”, all of the requirements of QC 1 are applicable and the Supplier and/or lower-tier Supplier shall annotate on the Certificate of Compliance, the Supplier’s approved processor code.

QC2. CONTROL OF SPECIAL PROCESSES

The Supplier must have on file at their facility, or their sub-tier Supplier's facility, chemical and mechanical test data on raw material used on the contract issued by MTE. Processes listed below, must satisfy the requirements of applicable drawings and specifications. MTE reserves the right to perform surveillance, review or audit of the Supplier and/or sub-tier Supplier's special processes and certification, prior to and during the performance of any contract issued by MTE. Suppliers and sub-tier Suppliers certified by NADCAP for the commodities that they are delivering shall be considered approved and require no further surveillance or audits provided no non-conformances are detected from the processes. MTE reserves the right to deny the use of lower-tier special process Suppliers, if they fail to meet the applicable requirements. All processes performed under the contract issued by MTE shall be performed by the Supplier, or if the Supplier is going to out source any processes, they MUST contact MTE prior to any out source activity to a sub-tier Supplier for verification of MTE customer approved Supplier status.

Below are the commodities (as defined by NADCAP) and the specific processes that are considered to be special processes at MTE:

Chemical Processing (Platings)	Coatings
Heat Treating	Materials Testing Laboratories
Non-Destructive Testing	Soldering and PWB Fabrication
Welding (Includes Brazing)	Nonconventional Machining and Chem-Milling
Shot Peening	Cleaning – Descaling
Composites	Bonding

QC3. CHEMICAL / PHYSICAL TEST REPORTS

Supplier shall supply actual Chemical and/or Mechanical test data for the material(s) being supplied under the contract issued by MTE. The test report shall state the actual analysis of the material for the chemical and/or mechanical properties, and shall identify, as applicable, the material type, grade, temper, material dimensions, heat / lot number, specification(s), and be signed for certification of compliance. The test report shall identify the MTE PO number. The test report shall accompany each shipment; failure to provide the required test reports may be cause for rejection of the material and affect the Supplier rating.

QC4. FIRST ARTICLE INSPECTION

MTE's acceptance of a first article inspection (FAI) is required prior to acceptance of production parts, unless otherwise authorized by MTE. The Supplier shall submit the FAI report and identifiable first article product to MTE's inspection department for verification. The Supplier's FAI format shall include, at a minimum, the contract number, product number, revision level, product name, Supplier's name, all drawing requirements (including tolerance), method used to obtain results, actual results of each measurement, pass or fail status of the measurements and proven compliance to each engineering drawing note. *AS9102 should be used as a guideline.* Occurrence of any of the following conditions shall require an additional FAI:

a) A material, design, tooling and/or process change(s) affects the original first article inspection of the product. An additional FAI is applicable only to those characteristics affected by the change.
b) The product has not been produced for a period of 18 months.
c) A change in facilities has taken place.
d) Damage and subsequent repair to tooling, fixtures, dies, or equipment used in the manufacturing process affects the specification parameters or attributes. An additional FAI is applicable only to those characteristics affected by the repair.
e) A change has been made to the Supplier's proprietary product purchased by MTE, or the performance of a higher assembly.

First Article Reports for the items controlled by CAD files shall record actual dimensional data taken by the Supplier to confirm conformance to the CAD file. The Supplier must indicate any operations not performed using the CAD file.

QC5. SOURCE INSPECTION

MTE will perform final inspection and/or witness acceptance tests at the Supplier's facility prior to shipment of product under the contract issued by MTE. The Supplier shall notify MTE's purchasing department at least five (5) working days prior to the date that source inspection is required. If MTE waives source inspection, the inspection waiver must accompany the shipment.

QC5.1 GOVERNMENT SOURCE INSPECTION (GSI)

Government inspection is required prior to shipment from Seller's facility.
Upon receipt of this contract, Seller shall promptly notify and furnish a copy of this contract and all subsequent change orders to the government representative who normally services Seller's facility so that the appropriate planning for government inspection can be accomplished.
During performance of this contract, the Seller's and Seller's subcontractor's Quality and Manufacturing processes are subject to review, verification, and analysis by authorized Government Representatives.
Government inspection of goods or services provided hereunder shall be performed at Seller's address shown on this contract or contract change unless a different address is specified. If a government representative does not normally service Seller's facility, Seller shall furnish a copy of this contract to the nearest Defense Contract Management Agency (DCMA) office. In the event the Government representative or DCMA office cannot be located, Seller shall immediately notify McCay Tool's Procurement Representative.
Evidence of government inspection shall be shown on the shipping document by stamping the Gov't Representatives DCMA Eagle stamp as well as signature of Representative on the return packlist.

QC6. AGE CONTROL OF RUBBER PRODUCTS

O-Ring packaging and shelf life unit packaging per MIL-STD-2073-1D, "Standard Practice for Military Packaging" Method 33 is required. Any packaging displaying evidence container, bag, etc., being stapled shall result in the o-ring bring scrapped at the Supplier's expense. Each unit package shall be marked per MIL-STD-129, "Military Marking" and include the following information:

Part Number
Material Specification (if different from the part number)
Cure and Expiration Dates
Material Batch Identification

Unless otherwise specified, the requirements of MIL-STD-413 "Visual Inspection Guide for Elastomeric O-Rings" apply. O-Rings must meet the requirements of SAE ARP5316, "Storage of Elastomeric Seals and Seal Assemblies". O-Rings shall not be furnished to MTE if more than 25% of the shelf life has expired.

QC7. TIME AND TEMPERATURE SENSITIVE MATERIAL

The certification must include manufacture date, expiration date, temperature storage conditions, and handling requirements, when applicable, must be included in the documentation with each shipment. Storage temperature requirements other than ambient 25° +/- 5°C shall be marked on the outermost shipping container. Seventy-five percent (75%) of shelf life shall remain at time of receipt at MTE's facility.

QC8. SAFETY DATA SHEET (SDS) / TOXIC SUBSTANCES CONTROL ACT (TSCA)

The Supplier shall furnish one (1) copy of the MSDS with each shipment of product under the contract issued by MTE. The Supplier shall certify that all chemical substances delivered under this contract are on EPA's TSCA inventory and comply with all applicable rules and orders under TSCA.

QC9. PACKAGING, MARKING AND SHIPPING

All articles shall be packed, marked, and shipped in accordance with the requirements specified in the Purchase Order. If no specific instructions are provided, utilize good commercial practices to ensure protection in shipment and storage and compliance with applicable federal, state, and local laws and regulations. Any expense incurred by MTE as a result of improper preservation, packaging, packing, marking, or method of shipment shall be reimbursed by Seller. No separate or additional charge is payable by MTE for containers, crating, boxing, bundling, dunnage, drayage, or storage unless specifically stated in the Contract. Each item shall be packaged individually and identified with the following information by label or tag:

Part Number
Revision Level
Purchase Order Number
Serial Number (if applicable)
Lot Number (if applicable)
Cure Date (if applicable)

For those items where individual packaging is not practical (such as with electronic discrete components, MIL-SPEC or NAS nuts / bolts / screws, or other commercially available bulk packaged items), the packaging must also show the quantity of item contained in addition to the items listed above.

The Supplier shall provide a packing slip(s) with the items that states the above information and has the Supplier's name and address. If required, the country of origin, as required by "18", shall also be marked on the packaging and the packing slip shipping document.

Do not combine items from different purchase orders in the same shipping container or on the same packing slip.

All items received at MTE must have shipping documentation or may be refused and returned to the Supplier at the Supplier's expense.

QC10. TEST REPORTS

Actual test data of indication of pass / fail test results shall accompany each shipment. The Supplier's format is acceptable and shall reference the contract number, Supplier's name and address and/or the name and address of the independent laboratory, product number, serial number or lot number if applicable, and the date of the test. An authorized Supplier representative shall validate all submitted reports, by either an inspection stamp or signature.

QC11. INSPECTION / TEST DATA

The Supplier shall perform in-process and final inspection and/or test of the product as applicable to validate compliance of the product to the required drawings, specifications, or regulatory standards as defined on the contract issued by MTE. Evidence of the inspection and/or test shall be documented in the Supplier's format and be maintained by the Supplier. MTE may request copies of the inspection / test data to be provided at the time of shipment, or within the retention period of "S" (Supplier quality requirements).

QC12. CALIBRATION SYSTEM

Calibration System: Calibrations shall be performed as designated by this contract. Certificates and reports shall be provided to McCay Tool & Engineering (MTE) for the calibrations accomplished by the Supplier in the performance of this contract shall include:
- McCay unique identification number and/or Serial Number.
- Name of person performing calibration.
- Date of calibration.
- Next calibration date.

- Actual calibration data, including as applicable, statements regarding repairs, or adjustments made to items being calibrated, and an as received/as returned statement regarding equipment condition.
- Statement of calibration uncertainty.
- Statement on the precision of the measurement standards traceable to international or national standards; where no such standards exist, the basis used for calibration or verification shall be stated.
- Calibration System standards shall be traceable to NIST.
- Environmental conditions at the time of calibration, as applicable to item(s) being calibrated.
- Calibration services were performed in compliance with one or more of the following: ISO 10012, ANSI/NCSL Z540, or ANSI/ISO/IEC 17025.

The Supplier's Calibration System is subject to review and approval by MTE and MTE's customer representative(s) and/or Government representative(s) at all times. The Supplier retains full responsibility for ensuring that all products, lower-tier Suppliers, supplies used, and/or services furnished hereunder, comply with all applicable calibration requirements.

Calibration Record Retention: The supplier shall maintain records of inspections, tests, and process controls called for by this contract, and shall be on file and available to MTE for seven (7) years following the end of the calendar year in which the final entry was made.

QC13. PRODUCT TRACEABILITY

Products furnished under a contract issued by MTE must be identified by lot number, material type, specification and revision level, and be traceable to the original manufacturer. The traceability documentation and/or records shall accompany each shipment.

QC14. LOT CONTROL

Products furnished under a contract issued by MTE must be identified by the manufacturing lot or batch number. The lot or batch number shall be identified on tags or labels and attached to the product or product container. All accompanying documentation such as packing list, certifications, inspection / test reports, shall include the lot control number.

QC15. SERIALIZATION

Each product furnished on this contract shall be identified by a unique serial number. When specific serial numbers are required, they shall be identified by MTE. All inspection and/or test reports and all other applicable documentation shall be traceable to each serial number.

QC16. MATERIAL COUPON

The Supplier shall submit a coupon or slug for destructive testing / verification or material by MTE. The coupon or slug must be from the same raw material lot and processed in the same loads or batches that were used for fabrication of the product.

QC17. SAMPLING INSPECTION

MTE reserves the right to use sampling plans in accordance with ANSI/ASQ Z1.4, using an Acceptance Number (Ac) of zero (C=0), or other statistically valid sampling methods consistent with MIL-STD-1916. The sampling plan used must not allow acceptance of any product with known defects. Any defects identified shall be 100% inspected on all products, work in process, and stock inventory for the specific defect.

QC18. CORRECTIVE ACTION

If the Supplier is issued a request for Corrective Action, the Supplier shall complete the applicable sections of the corrective action report to include: Root Cause, Immediate Action, Corrective Action, and Verification of the Corrective Action. The corrective action report must be signed by an authorized representative of the company

and returned to MTE within the response due time frame. If the Supplier requires more time to identify and implement corrective actions, the Supplier must contact MTE's purchasing department and request an extension of the response due date. Failure to reply to a request for corrective action may affect the Supplier's approval status and/or future procurements.

QC19. CONTROL OF NONDESTRUCTIVE TESTING

Testing shall be in accordance with all purchase order and applicable specification requirements. Unless otherwise specified:

If Dye Penetrant inspection is required by the Purchase Order, such inspection shall be performed in accordance with ASTM E1417 or the applicable company specification called out on the PO. The penetrant inspection report shall identify the procedure and method used, the acceptance criteria, part number, PO number, and the result of the inspection. The report shall contain the name of the person performing the inspection and shall be signed and dated. When parts are serialized, serial numbers must appear on the report with the control number. Penetrant inspection shall only be performed by a level II or III technician as certified by NAS 410 or ASNT SNT-TC-1A. The penetrant inspection report shall be furnished with each shipment.

If Radiographic inspection is required by the Purchase Order, such inspection shall be performed in accordance with ASTM E1742. Individual radiographs shall be traceable to the corresponding product(s). When parts are serialized, serial numbers must appear on the report and film with the control number. The radiographic inspection report shall identify the procedure and method used, the acceptance criteria, part number, PO number, and the result of the inspection. The report shall contain the name of the person performing the inspection and shall be signed and dated. Radiographic inspection shall only be performed by a level II or III technician as certified by NAS 410 or ASNT SNT-TC-1A. The radiographic inspection report and X-ray films shall be furnished with each shipment.

If Magnetic Particle inspection is required by the Purchase Order, such inspection shall be performed in accordance with ASTM E1444. The magnetic particle inspection report shall identify the procedure and method used, the acceptance criteria, part number, PO number, and the result of the inspection. The report shall contain the name of the person performing the inspection and shall be signed and dated. When parts are serialized, serial numbers must appear on the report with the control number. Magnetic particle inspection shall only be performed by a level II or III technician as certified by NAS 410 or ASNT SNT-TC-1A. The magnetic particle inspection report shall be furnished with each shipment.

If Ultrasonic inspection is required by the Purchase Order, such inspection shall be performed in accordance with ASTM E2375 and/or ASTM B594. The ultrasonic inspection report shall identify the procedure and method used, the acceptance criteria, part number, PO number, and the result of the inspection. The report shall contain the name of the person performing the inspection and shall be signed and dated. When parts are serialized, serial numbers must appear on the report with the control number. Ultrasonic inspection shall only be performed by a level II or III technician as certified by NAS 410 or ASNT SNT-TC-1A. The ultrasonic inspection report shall be furnished with each shipment.

QC20. ELECTROSTATIC DISCHARGE SENSITIVE (ESDS) PRODUCTS

The Supplier is responsible for ensuring that the product is manufactured, tested, identified, and handled in accordance with MIL-STD-1686, EIA-JESD-625-A, or equivalent. The Supplier shall maintain an ESDS program in accordance with MIL-STD-1686, MIL-HDBK-263, EIA-JESD-625-A or equivalent, and shall include procedures, personnel training records, and calibration of ESDS testing equipment.

QC21. WORKMANSHIP

Workmanship shall be in accordance with the drawing requirements, specifications and any requirements of the detail equipment specification applicable to manufacturing, processing, marking of parts and assemblies, wiring, soldering, welding and brazing, plating, riveting, finishing, machine operations, and shall be reviewed for the

detection and removal of foreign objects to include product free from burrs, sharp edges, tooling marks, mismatched conditions, warped and/or bowed conditions, or any other damage or defect that could make the product or equipment unsatisfactory for the intended purpose.

QC22. DPD / MBD: DIGITAL PRODUCT DEFINITION / MODEL BASE DEFINITION

Suppliers performing process operations that include Digital Product Definition and/or Model Base Definition from datasets supplied by MTE, shall have process controls that meet the requirements of MTE Quality Procedure – QP 4.0.3. The Supplier shall have a documented Quality Plan for DPD / MBD process controls. The Supplier Quality Plan will be reviewed and approved, or disapproved, by MTE QA prior to any order placement.
NOTE 1: MTE will ensure the Supplier can view the annotation, flow DPD/MBD information to manufacturing and inspection, perform a complete AS9102 FAI and have training in place.
NOTE 2: MTE will ensure the Supplier is in compliance with ITAR / EAR, masking aids (derivative files) and any MTE customer contract requirements prior to approval and release of DPD/MBD datasets.

QC23. FOREIGN OBJECT DEBRIS/DAMAGE (FOD) PREVENTION

The Supplier is required to establish and maintain a Foreign Object Damage (FOD) / Foreign Object Debris (FOd) Prevention Program in compliance with AS/EN/SJAC 9146 to control and eliminate FOD and/or FOd, assuring work is accomplished in a manner preventing foreign objects or material from entering and remaining in deliverable products.

Maintenance of the work and control of tools, parts, and material shall preclude the risk of FOD incidents. Prior to closing inaccessible or obscured areas and compartments during assembly, the Supplier shall inspect for foreign objects/materials. The written procedures or policies developed by the Supplier shall be subject to review and audit by McCay Tool & Engineering Co., Inc. Quality Assurance, and approved or disapproved when the Supplier's procedures or policies do not accomplish their objectives.

QC24. SUPPLIER CERTIFICATION REQUIREMENT:

Lockheed Work: The Supplier shall certify to Latest Lockheed Specs per QCS001.
Boeing Work: The Supplier shall certify to Latest Boeing Specs per D1-4426.

QC25. EXTERNAL PROVIDERS'/SUPPLIERS' PERSONNEL AWARENESS

The Supplier shall ensure that its personnel and the personnel of its sub-tier suppliers are aware of:

- Their contribution to product or service conformity;
- Their contribution to product safety; and
- The importance of ethical behavior, including the reporting of defects, nonconformances, and compliance with applicable laws, regulations, export controls, and contractual requirements.

The Supplier shall maintain appropriate training and awareness records and shall make such records available to MTE upon request.