



Complete Technical Representation, Inc.

1705 John Connally Dr. Carrollton, Texas 75006

PURCHASE ORDER TERMS, CONDITIONS AND QUALITY REQUIREMENTS

FOR PURCHASED MATERIAL, PARTS OR LABOR. (Attachment QC-1, Rev. A 12/28/2014)

This document contains buyer's supplemental purchase contract requirements identified for Complete Technical Representation, Inc. purchase orders. Seller is responsible for satisfactory fulfillment of these requirements. If your organization is unable to meet any of these requirements, written notification must be made to the buyer identifying the requirement number, purchase contract number, and reason for noncompliance.

Quality Requirements:

Q1 - SURVEILLANCE CLAUSE

Buyer reserves the right to conduct surveillance at Seller's facility to make final determination that Seller's quality system meets the requirements as set forth herein. By accepting this Purchase Order, it shall be understood that you are granting Right of Entry to Complete Technical Representation, Inc., CTR customers or any Federal agencies at any reasonable hour for the purpose of inspecting, observing or verifying work being done in accordance with Purchase Order specific or supplemental requirements.

Q2 - SELLERS COMPLIANCE TO ISO 9001 (AS9100 as applicable)

Seller shall have a quality program that complies with International Standards Organization ISO 9001 - "Model for Quality Assurance in Design/Development, Production, Installation, and Servicing."

At CTR's request, the Seller shall provide for CTR's review of the quality program manual, including a matrix that traces the provisions of ISO 9001 to the supplier's documented procedures.

At CTR's request, the Seller is subject to periodic audit/assessment of their quality program to ensure compliance to ISO 9001 requirements. At CTR's discretion, registered ISO 9001 suppliers may not be subjected to audit/assessment by CTR if they have provided a copy of their ISO 9001 registration certificate issued by an approved ISO 9000 registrar to CTR.

Any changes to the certification such as a change of the CRB, update, withdrawal or disapproval must also be forwarded to CTR immediately. A change in supplier name, ownership, or facility location will subject the supplier's quality system to reevaluation by CTR. The supplier shall notify their buyer of any of these aforementioned changes in writing. The buyer will instruct the supplier on formal notification actions and specific forms to submit, if necessary.

Q3 - PRODUCT IDENTIFICATION AND TRACEABILITY

Where and to the extent that traceability is a specified requirement, the supplier shall establish and maintain documented procedures for unique identification of individual product or batches. This identification shall be recorded.

Q4 - CONTROL OF NONCONFORMING PRODUCT

The supplier shall establish and maintain control of product that does not conform to specified requirements to ensure that unintended use or delivery is avoided. Control shall provide for identification, documentation, evaluation, segregation (when practical), disposition of nonconforming product, and for notification to the functions concerned.

Q5 - CORRECTIVE AND PREVENTIVE ACTION

The supplier shall respond to all buyer requests for corrective action on or before the requested response due date. Supplier shall maintain a documented system for determining root causes of documented defects and obtaining corrective action both internally and from its suppliers. The supplier is accountable for effectiveness of corrective and preventive actions taken.

Buyer requests for corrective and preventative action will be issued to the supplier's representative in the form of, but not limited to, Supplier Corrective Action Request (SCAR), and failure analysis reporting, as required by engineering specification or contract data item requirements.

CTR retains the right to conduct corrective action verification at the primary supplier and/or sub-tier supplier facility to assess effectiveness of implemented corrective action.

Note: Material currently undergoing corrective action investigation processing up to and including verification of corrective action shall not be shipped without the authorization of CTR's Quality Assurance.

Q6 - SUBTIER SUPPLIER CONTROL

The Seller shall impose requirements comparable to those contained in this document on sub tier suppliers and shall assume responsibility for the quality of all procured product unless otherwise directed by Buyer . The Seller shall assure Buyer's right of entry into the sub tier supplier's facilities. Seller must notify CTR of any planned facility relocations and for any planned major manufacturing process changes. Subcontracting of any operations to any external sources other than those specified or previously approved by purchaser is not allowed. Buyer reserves the right to review Seller's standard flow-down to Seller's subcontractor(s) and/or Seller's contract to Seller's subcontractor(s) for goods or services that are part of the deliverable goods subject to this contract.

Q7 - SELLER'S COMPLIANCE WITH NAS410

Seller shall have a certification system that assures compliance with NAS410, "Nondestructive Testing Personnel Qualification and Certification (Eddy Current, Liquid Penetrant, Magnetic Particle, Radiographic and Ultrasonic)." Any deviation or waiver to this requirement must be approved by the CTR Purchasing Representative and CTR's Quality Assurance prior to start of any production materials.

Q8 - QUALITY ASSURANCE AT SUPPLIER

Items on this PO/Contract may be subject to CTR inspection prior to assembly and throughout all assembly, processing and testing operations. CTR may impose in-process inspection when engineering requirements such as dimensions, material type, functionality, performance or key characteristics cannot be adequately determined at end item inspection.

If in-process inspection is required, the CTR Quality Assurance Representative will determine the need for, coordinate with Seller, and impose mandatory inspection points. Seller shall document CTR inspection points on Seller's fabrication planning document (i.e., shop traveler).

Seller shall notify CTR Source Inspection at least forty-eight (48) hours prior to proceeding with product processing or manufacturing in conjunction with this purchase.

Seller shall notify CTR Source Inspection at least forty-eight (48) hours prior to reaching an inprocess inspection point, if any, or an end item inspection.

Evidence of CTR's end item inspection must be indicated on the packing sheet, and any CTR supplied documentation accompanying each shipment.

If Supplier has been granted Supplier Inspection Delegation (SID) status, Supplier notification of CTR's Source Inspection is not required for inspection/acceptance of material, and Supplier stamp may be used as evidence of product acceptance in lieu of CTR's Quality Assurance Representative stamp, unless notified otherwise by CTR.

Q9 - FIRST ARTICLE AT SELLER FACILITY

Seller shall perform First Article Inspection in accordance with the requirements set forth in SAE AS9102, Aerospace First Article Inspection Requirement. Seller shall forward one (1) copy of First Article Inspection Report (FAIR) to CTR with Seller's shipper in the first shipment of parts. The first article component must be produced by the same manufacturing method/process employed for the manufacture of subsequent production components/material. Seller is liable for all cost incurred by buyer as result of a customer return related to an undocumented non-conformances produced by the seller.

Q10 - REQUIREMENT FOR 100% INSPECTION BY SELLER

Seller shall perform 100% inspection of all items on this PO/Contract to ensure conformance to drawing and specification requirements. Evidence of such inspection must be on file and available for review by CTR.

Q11 - SUPPLIER CERTIFICATE OF CONFORMANCE FOR QCS-001 PROCESSES

Seller shall provide evidence that processes as listed in QCS-001, Approved Process Sources, were performed by LM Aero approved sources. Such evidence shall be maintained on file by Seller. Supplier Certificate of Conformance, or equivalent certification, indicating as a minimum; the LM Aero process description and process number, the name and address of the process supplier, the purchase order number and part number.

Seller is required to deliver the supplies to be furnished hereunder with a "Certificate of Conformance". In no case shall the Buyer's right to inspect supplies under the inspection provisions of this contract be diminished. The Certificate, signed or stamped by an authorized agent of the Seller, shall be included with the shipping documentation (invoice/packing sheet). This Certificate shall contain equivalent information to the following statement:

"I hereby certify that on (date) the (contractor name) provided the supplies called for by Purchase Order Number (number) via (carrier) on (bill of lading or shipping document) in accordance with applicable requirements for shipment. I further certify that the supplies are of the quality specified and are in all respects in conformance with the contract requirements, including specifications and/or drawings, identification (part number), and in the quantity shown on this, or the attached acceptance document.

Q12 - CERTIFICATION FOR SELLER FURNISHED MATERIAL

Seller shall document and maintain a material certification containing the following:

1. Description of the material used in the manufacture of the end-item;
2. Material specifications;
3. Lot, Heat or batch number identification; and
4. Source of Procurement.

The certification shall be furnished separate from the packing sheet and shall reference the PO/Contract number and the applicable Sellers part number.

Q13 - FOREIGN OBJECT DAMAGE/CONTROL

Seller shall establish and maintain systems and procedures necessary to provide a definitive program of foreign object damage/control. The procedure/plan must be developed within 60 days of the date of this PO/Contract, and be available to the CTR Purchasing Representative upon request. CTR reserves the right to reject Seller's foreign object damage control procedure/plan.

Q14 - COUNTERFEIT PARTS PREVENTION

Seller shall develop a comprehensive counterfeit part prevention program to prevent introduction of counterfeit parts into items delivered against this Contract. The program shall include a plan that describes methods to assure component parts are procured only from the OEM/OCM or a manufacturer's authorized distributor. The plan shall include a listing of procured assemblies for which flowdown of counterfeit

prevention measures are appropriate. The plan shall include a process for assuring integrity of procurements made from sources such as independent distributors, brokers or after-market sellers. The plan shall address rationale for any procurement from such sources, the risk mitigation plans to assure product integrity and a process for submitting and obtaining approval from Lockheed Martin when applicable. Each request for incorporating parts procured from sources other than OEM/OCM or a manufacturer's authorized distributor shall be submitted to Lockheed Martin for approval as applicable. Incorporation of subject components into items delivered against this contract is prohibited without prior approval from CTR. Reference SAE AS5553 for guidance to the above requirements.

Q15 - ITAR COMPLIANCE

The technical data provided by Complete Technical Representation, Inc. under this purchase order may be subject to ITAR (International Traffic in Arms Regulations) or EAR (Export Administration Regulations) export restrictions, including export license requirements for any foreign national employee(s), temporary hire, or consultant. As a supplier to CTR your organization is responsible for obtaining all necessary ITAR or EAR export approvals and for maintaining compliance with all export control requirements.

Q16 - PREFERENCE FOR DOMESTIC SPECIALTY METALS

Reference the Defense Federal Acquisition Regulations (DFAR) Sect. 252.225-7014, and the Federal Acquisition Regulations (FAR) Part 25. Unless otherwise specified on CTR purchase order, shipments of metallic raw material meeting the Specialty Metals definition in DFAR 252.225-7014 are subject to the Qualifying Country Source restrictions, found in DFAR Supplemental Clause 225.872.

Q17 - DRUG AND ALCOHOL ABUSE PREVENTION PROGRAM

CTR requires that all suppliers providing goods and services in support of § FAR 145 Repair Station maintenance activities, institute and maintain an antidrug and alcohol misuse prevention program in accordance with 14CFR §121 Appendix I and J. The program shall conduct tests for Pre-Employment Screening, Periodic, Random, and where necessary, Post-Accident, Reasonable Cause/Suspicion, Return to Duty, and Follow Up screenings. Annual reports of antidrug program and alcohol misuse prevention program results must be maintained and be available for review by the FAA, CTR and its customers in accordance with the requirements of 14CFR §121 Appendices I and J.

Q18 - AGE-SENSITIVE MATERIALS

CTR requires that age-dated materials be delivered with NO MORE THAN 20% of shelf life range expired. **Exceptions to this clause must be arranged with CTR buyer, and accepted by CTR Quality Assurance, prior to shipment. Chemicals received on a consignment basis as a result of a "Chemical Replenishment program are exempt from this requirement."**

Provide original manufacturing/cure date, lot number(s), expiration date or length of shelf life (if indefinite, so state). In addition, forward any special storage/handling instructions. Supplier is responsible to determine if acceptance test report submittal is required in accordance with applicable material specification.

The supplier shall physically identify the shelf life expiration date on the deliverable product or the unit packaging according to the applicable standard. Elastomeric material with "No Shelf Life" requirement or "Unlimited Shelf Life" shall be marked as such.

Q19 - SHIPPING REQUIREMENTS

Supplier shall provide a packing sheet or attachments for each separate shipment with the following minimum requirements:

- o Supplier's company name and address
- o Purchase order number, line item(s) and part numbers.
- o CTR dispositioned nonconformance document number(s), as applicable.
- o Required parts traceability forms.
- o Evidence of CTR source acceptance if purchase order required CTR source surveillance.

Purchase Order due date is considered on dock date. Delivery window is 7 calendar days early, 0 days late, unless written permission from CTR's purchasing representative is obtained in advance. No unauthorized early shipments will be accepted. Quantity ship tolerance is +/-0. UPS Acct # xxxxxx, FedEx Acct # xxxxxxxx. No partial shipments will be accepted.

Unless Purchase Order specific packaging instructions are given, all parts must be suitably wrapped or boxed to guard against shipping damage.

Q20 – LOCKHEED MARTIN FLOWDOWN REQUIREMENT

The following statement shall also apply: Work to be accomplished in performance of this Purchase Order is directly related to a Lockheed Martin Aeronautics Company Purchase order and must be accomplished with Process Specification(s) on the Purchase Order and Lockheed Martin Aeronautics Company Appendix QJ. All requirements of Appendix QJ paragraph 12 A-F shall be accomplished.

Q21 - BUYER OR U.S. GOVERNMENT PROPERTY

All property including tooling used by seller buyer owned, furnished, or charged to buyer shall be the property of buyer or U.S. Government and subject to removal and inspection by owner at any time without additional cost or expense. All such property shall be administered and controlled by seller in accordance with FAR subpart 45.5. Identified and marked appropriately as buyers or government's property, insured at sellers expense in the amount of its full replacement value and used only for its owners direct purchases. Seller shall assume all liability for its maintenance and repair and return the property in as good condition as when received, reasonable wear and tear expected. Seller is responsible for the specification conformance and quality of any product of buyer furnished tooling or materials.

Terms and Conditions:

1) NOTICE OF DELAY - Seller shall immediately notify buyer and explain any circumstances, including labor dispute, which may delay the timely performance of the P.O.

2) QUANTITY - Buyer need not accept any over shipments or shortages, except as authorized herein, regardless of usage of trade or sellers' standard practices.

3) CHANGES –

A. BUYER -Buyer shall have the right at any time to make changes or revisions, within the general scope of this contract, to the drawings, designs, specifications, quantities, delivery schedules, method of shipment or packaging, place of inspection or acceptance, and/or point of delivery, and seller agrees to be bound thereby. Interchange and liaison with buyers technical personnel shall not vest seller with authority to change the specifications, terms, or provisions of this contract unless it is evidenced in writing by an authorized procurement representative of the buyer. If such authorized written changes result in delay or any increase or decrease in cost, seller shall notify buyer immediately and negotiate an equitable adjustment, provided, however, that seller shall in all events proceed diligently to supply the items or perform the contracted work or services as so changed. No claim by seller for such equitable adjustment shall be valid unless accompanied by proper explanation and justifications and submitted by buyer in writing within 15 days from the date of such change.

B. SELLER - The Seller shall notify Complete Technical Representation, Inc. of any changes in product or process definition.

4) WARRANTY - Seller expressly warrants to the buyer and its customers that the articles described in the P.O. shall be free from defects in workmanship and materials and shall strictly conform to applicable specifications, drawings, and any approved samples, and, if of sellers design, will be free from design defects and fit for the intended purpose. The warranty shall expire one year from delivery date, except in cases of fraud or gross mistakes as amount to fraud. Seller agrees to indemnify buyer and its customers for all liability, loss, and expenses of a breach of warranty, including costs of tests performed in determining that a breach has occurred, costs of disassembly and re-assembly, and reasonable attorney's fees and costs of litigation. Notice of breach shall be deemed sufficient if given within 30 days after discovery thereof by buyer.

5) TERMINATION FOR CONVENIENCE - Buyer may terminate all or any part of the P.O. at any time without cause by written notice to seller. The rights and obligations of the parties shall be in accordance with the clause set forth in FAR 52.249-2. However, seller must submit his termination claim to buyer within 60 days after the effective date of termination.

6) COMPLIANCE WITH LAWS - Seller shall comply with all applicable federal, state, and local laws, and government orders and regulations in performing the P.O. Seller agrees to hold buyer harmless from, and to reimburse it for, any and all costs, damages and expenses (including attorneys fees) suffered directly or indirectly through failure of seller to comply with any such law, regulation, or order.

7) SUSPENSION OF WORK - Buyer may order seller in writing to suspend, delay or interrupt all or any part of the work for a period not to exceed 90 consecutive days. An adjustment shall be made for any directly resulting increase or decrease in the cost of performance. Adjustment shall also be made in the delivery or performance dates and any other contractual provisions affected. However, no adjustment shall be made to the extent that performance would have been so suspended, delayed or interrupted by any other cause including the fault or negligence of seller. Also, no adjustment shall be made under this clause for any suspension, delay or interruption for which an equitable adjustment is provided for or excluded under any other provision of this contract. No claim under this clause shall be allowed unless the claim in a stated amount is asserted in writing within 15 days after the termination of such suspension, delay, or interruption.

8) PACKAGING AND SHIPMENT INSURANCE - All material on this order shall be prepared for shipment in a manner acceptable by the specified carrier and adequate to ensure safe delivery at destination. The supplier shall package products appropriately to assure that no damage occurs during shipment. Parts shall be returned in any special packaging sent by Complete Technical Representation, Inc. Method of packaging shall comply with uniform freight and national motor freight classification rules and regulations or other carrier's rules and regulations applicable to the mode of transportation specified on the order. No charges will be allowed for boxing, wrapping, cartage or storage other than those specified in the P.O. Shipments sent C.O.D. will not be accepted unless specifically authorized in writing. Seller shall not insure f.o.b. origin shipments at buyer's expense.

9) WAIVER OF TERMS AND CONDITIONS - The failure of buyer in any one or more instances to enforce one or more of the terms or conditions of this order or to exercise any right or privilege in this order shall not be construed as thereafter waiving any such terms, conditions, rights, or privileges. Such terms shall remain in effect as if no such failure to enforce had occurred.

10) GOVERNMENT CONTRACTS - In the event this purchase order bears a government contract number, it shall be subject to all applicable provisions of, and will contain all clauses and agreements required by, the terms of any government contract under which or for which the P.O. is issued, federal laws, regulations, and the clauses set forth in other provisions and in the following paragraphs of the Federal Acquisition Regulations (FAR) are incorporated herein by reference. The FAR clause shall be of the same date as the FAR clause in the prime contract where necessary to make the context applicable to the P.O. The terms "government" and "contracting officer" or equivalent phrases shall mean buyer. The term "contractor" shall mean seller. The term "contract" shall mean the P.O. All notices, reports or other required data shall be furnished to buyer for forwarding or action pursuant to the prime contract.

11) ADVERTISING - Seller shall not, without first obtaining the written consent of buyer, in any manner advertise or publish the fact that seller has furnished or contracted to furnish buyer with the articles or services here mentioned or disclose any of the details including prices or terms connected with the P.O. to any third party except as may be required to perform the P.O.

12) NON-DISCLOSURE - Drawings, specifications, and technical information - drawings, data, designs, inventions and other technical information supplied by buyer shall remain buyer's property and shall be held in confidence by seller. Such information shall not be reproduced, used, or disclosed to others by seller without buyers prior written consent and shall be returned to buyer upon completion of the P.O. or upon request. Any information which seller may disclose to buyer with respect to the design, manufacture, sale,

or use of the items covered by the P.O. shall be deemed to have been disclosed as part of the consideration for the P.O., and seller shall not assert any claim (other than a claim for patent infringement against buyer by reason of buyers use thereof all data generated or developed in the course of the P.O. shall be the sole property of buyer. Seller shall not use, duplicate, or disclose such data for any purposes other than the performance of the work required hereunder without the prior written consent of buyer. The purchase price of the P.O. is, in part, consideration for any design work performed by seller and incorporated into the articles to be delivered. Seller, therefore, shall not supply such articles to others without buyers written permission, however, seller may produce articles for direct sale to the U.S. Government where the U.S. Government also has the right to use the necessary equipment, tools, gauges, patents, designs, drawings, engineering data, and other technical or proprietary, information furnished by buyer.

13) HAZARDOUS MATERIAL - The seller shall ensure that all materials and chemicals, which are harmful to human health, safety, or property, are properly contained in accordance with applicable local, state and federal specifications. All containers shall be plainly marked with chemical labels displaying appropriate warnings, precautions, instructions and storage conditions as required by DOT and OSHA. Material safety data sheets (MSDS) must be provided with and chemicals as required by OSHA standards 1910.1200. Mercury and radium shall not be used in the processes or manufacture of materials for the P.O.