

Purchase Order Quality Clauses

1. Order of Precedence:

In the event of conflict between these Supplier Quality Clauses, or W Machine Works Purchase Terms and Conditions, and specifications or drawings applicable thereto, the order of precedence shall be as follows:

- a. Special Terms and Provisions set forth on the face of the Purchase Order and incorporated therein by reference.
- b. Purchase Order General Terms and Conditions (this document);
- c. Specifications; and
- d. Drawings

Should any conflict arise, Seller shall contact W Machine Works (WMW) for clarification in writing.

2. Quality System Requirements:

Your Quality System must comply with one of the following: AC7004, ISO 9001 or AS9100.

3. Calibration System Requirements:

All Inspection and Test Equipment used to process and inspect our parts must be calibrated. Your Calibration system must conform to the latest edition of ANSI/NCSL Z540.1, ISO 10012, or ISO 17025.

4. Right of Access:

WMW reserves the right of access, including our customers and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

5. Purchase Order Terms:

If Buyer elects to deliver materials, Buyer, at its own expense, shall deliver parts to supplier's receiving area. Supplier shall be liable to Buyer for any loss or damage of the parts from the time of such delivery until the parts are returned to Buyer; if Buyer elects to pick up materials, Buyer, at its own expense, shall pick up processed parts at Supplier's loading dock promptly after notification that such parts are available for pick up, or in accordance with any agreed upon delivery schedule. If supplier picks up and delivers material, supplier, at its own expense, shall pick up parts at Buyer's loading dock and shall be liable to Buyer for any loss or damage of the parts from the time of such pick up until the parts are returned to the Buyer; supplier, at its own expense, shall deliver processed parts to Buyer's receiving area promptly after processing, or in accordance with any delivery schedule agreed upon by both parties.

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6. Inspection and Certificates of Conformance:

You must perform Final Inspection of processes that affect our parts prior to shipment.

- a. Machining suppliers must furnish inspection reports, Certificate of Conformance, and, as applicable, Material and Processing Certifications for the parts they submit.
- b. Processing suppliers must furnish processing certifications to the purchase order requirements and shall not process any parts for which they are not certified or approved.
- c. Material suppliers must furnish material certifications with original mill certs to the purchase order requirements.

7. Sub-Contracting:

You are not to sub-contract any of our parts to other companies without our written authorization. Notify W Machine Works Quality department prior to transferring any WMW work to a new facility. The WMW supply chain manager will determine prior to the transfer if the external provider may perform the transfer of work. Supplier must receive a written notification of WMW approval.

8. Flow Down

Supplier must flow down to their sub-tier suppliers all applicable requirements, including key characteristics and customer requirements.

9. Proprietary Information:

Our Purchase Order instructions, prints, sketches, and specifications are considered proprietary information and are the exclusive property of WMW, Inc., or our customers, and are considered trade secrets. All information in the contract must be held in confidence and no third-party request for information will be authorized unless instructed in writing by WMW representative.

10. Communication of Shipment Delays:

Any delays in shipment must be conveyed to WMW Purchasing as soon as the delay is known.

11. Notification of Nonconformity:

Supplier is required to provide us with notification of any nonconformance. Nonconforming products are to WMW quality department of nonconforming product and make proper arrangements for approval.

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12. Corrective Action

In the event that WMW flows down a corrective action requirement, and the supplier fails to submit corrective action, WMW will place a financial hold on that supplier until acceptable corrective action is received.

13. Current Specifications:

You are responsible for maintaining the most recent revision of specifications, drawings, process requirements, inspection/verification instructions and/or other relevant technical data referenced on the purchase order. All work must be processed per latest revision unless otherwise instructed on purchase order.

14. Record Retention:

All Inspection, test records and certifications must be kept for a period of thirty (30) years after final payment for supplies or services.

15. Identification Documents:

Identify invoices, shippers, pack lists, and certifications with our part number, revision letter, Purchase Order number, our Job number, and the quantity of pieces. Supplier certifications must have a connection to mill certificates, where applicable. Supplier documentation to include the part serial numbers, where applicable.

16. Identification of Packaging and Traceability:

Identify packages with our part number, revision letter, our Purchase Order number, our Job number, and the quantity of pieces. When multiple boxes are used, please number each box with a unique number and the total number of boxes. Supplier documentation to include the part serial numbers, where applicable. Suppliers are to take great care that parts and orders are not intermixed.

17. Return of W Machine Works Property:

Material containers, drawings, tooling, and any other items furnished to you are to be returned to us at the completion of this order. Any drawings or specifications furnished to you are not to be reproduced without our authorization. Any Drawings, Sketches, or Specifications that you maintain are considered Uncontrolled.

18. Notification of Changes:

You are required to provide us with notification of changes in any product and/or process definition, changes of suppliers, changes of manufacturing facility location and, where required, obtain approval prior to completing our Purchase Order.

19. Safety Data Sheets:

Safety Data Sheets are required when products you provide are (or contain) restricted,

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toxic or hazardous substances. You must warrant your compliance with governmental regulations if the products you supply are restricted, toxic or hazardous substances.

20. Workmanship and Handling:

Our parts must be packaged and processed to prevent them from being damaged or from being mixed with other parts/processes. It is important that you handle our parts with care. Nicks, Dings and Scratches will be cause for rejection and all Rework or Scrap charges may be billed back to your company.

21. Foreign Object Damage and Debris:

Perform due diligence to prevent, detect, and remove Foreign Object Damage / Foreign Object Debris (FOD).

22. Conflict Minerals:

We require raw materials that are produced in both an ethical and socially responsible manner. WMW requires our raw materials to be certified as free from elements that originate in conflict-affected and high-risk areas. Our sourcing practices comply with Section 1502 of the Dodd-Frank Act. Ensure that persons are aware of their contribution to product and service conformity, product safety, and the importance of ethical behavior.

23. Export Control:

- a. The parts and technical data provided under this contract may be subject to the International Traffic in Arms Regulation (ITAR) (22 CFR 120-130), and the Export Administration Regulations (EAR) (15 CFR 730-774).
- b. External provider agrees to comply with all applicable US export control laws and regulations, including the requirement for obtaining any export license or agreement, if applicable.
- c. External provider acknowledges that these regulations impose restrictions on import, export, re-export, and transfer of technology to foreign persons. Without limiting the foregoing, external provider agrees that it will not transfer any export controlled part or technical data to foreign persons without the authority of an export license, agreement, or applicable exemption or exception.
- d. External provider shall immediately notify W Machine Works, Inc. Purchasing Representative if External provider is, or becomes, listed in any Denied Parties List or if External provider's export privileges are otherwise denied, suspended or revoked in whole or in part by the US Government entity or agency.
- e. If External provider is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, External

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provider represents that it is registered with the Office of Defense Trade Controls, as required by ITAR, and it maintains as effective export/import compliance program in accordance with ITAR.

- f. External provider shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense of litigation, and/or settlement, and court costs, arising from any act or omission of External provider, its officers, employees, agents, external providers, or subcontractors at any tier, in the performance of any of its obligations under this clause.

24. Counterfeit Parts Prevention:

- a. For purposes of this clause, Counterfeit Material consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (i.e., articles, components, goods, and assemblies). "Counterfeit Material" means fraudulent material that has been confirmed to be a copy, imitation or substitute that has been represented, identified, or marked as genuine, and/or altered by a source without legal right with intent to mislead, deceive or defraud.
- b. External provider agrees and shall ensure that Counterfeit Material is not delivered to W Machine Works.
- c. External provider shall only purchase products to be delivered or incorporated as Material to W Machine Works directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Material shall not be acquired from independent distributors or brokers unless approved in advance in writing by W Machine Works.
- d. External provider shall immediately notify WMW with the pertinent facts if External provider becomes aware or suspects that it has furnished Counterfeit Material. When requested by W Machine Works, External provider shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.
- e. In the event that Material delivered under this Contract constitutes or includes Counterfeit Material, External provider shall, at its expense, promptly replace such Counterfeit Material with genuine Material conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, External provider shall be liable for all costs relating to the removal and replacement of Counterfeit Material, including without limitation, WMW costs of removing Counterfeit Material, or reinserting replacement Counterfeit Material and of any testing necessitated by the reinstallation of the Material after Counterfeit Material has been exchanged. The remedies contained in this paragraph are in addition to any remedies W Machine Works may have at law, equity or under other provisions of this Contract.

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- f. External provider shall establish and maintain a Counterfeit Prevention Program using Aerospace Standard AS5553A and AS6174A as a guideline. The purpose of this document shall be to prevent the delivery of counterfeit parts and control parts identified as counterfeit.

25. Production Verification/Production Data

Suppliers of machined parts (machining, honing, grinding, gear cut, EDM, etc.) shall supply production inspection data that validates conformance of parts to operation requirements. Inspection shall be to a zero-acceptance sampling plan with an AQL of 1.5 or better, unless otherwise instructed on the purchase order. Parts may be immediately rejected if production data is not presented with parts. All machined features shall have production data traceable to part number, PO number/job number, supplier of machined parts, date of manufacture, be easily readable, and aligned with WMW ballooned features. Production data may be provided with hard copies or through electronic format and will be retained as auditable records.

26. Process/Location Changes

Supplier shall notify WMW of any changes in product and/or process, changes of suppliers, changes of manufacturing facility location - Prior approval may be required.

27. Special Processes

Supplier shall supply WMW with any necessary certifications/records to validate that the process was done correctly. All special processes must be accomplished by trained personnel on approved equipment. Special processes must be validated prior to their use and these processes must conform with the methods and procedures written on the WMW purchase order. All special processes requiring customer approval must be accomplished according to that approval and must be approved at the time of performance. Should the supplier lose their accreditation the supplier must notify W Machine Works of these changes.

28. Acceptance Authority Media

Supplier shall have in place a procedure ensuring proper use and tracking of Acceptance Media (e.g., stamps, electronic signatures, passwords) in regard to work completed. These procedures should also ensure that work is completed as planned, in the proper order and that all shop orders, certifications, etc., are only stamped/accepted when work has been completed properly, and by those with the organization's approval to do so.

29. Government Rated Orders

When the PO issued identifies DPAS Rating, the Supplier must comply with government rated orders and are required to follow all provisions of the Defense Priorities and Allocations System regulation (15 CFR 700).