

WOLFE MACHINE, Inc.

PURCHASE ORDER QUALITY CLAUSES

1. Right of Entry – Wolfe Machine, Inc., the Wolfe Machine, Inc. customer, the customers’ customer and regulatory agencies shall be allowed the right of entry to determine and verify the quality of work, records and material at any place, including the plant of the subcontractor.

2. ITAR § 122.1 Registration requirements - (a) Any person who engages in the United States in the business of either manufacturing or exporting defense articles or furnishing defense services is required to register with the Office of Defense Trade Controls. Manufacturers who do not engage in exporting must nevertheless register. (b) *Exemptions*. Registration is not required for: (1) Officers and employees of the United States Government acting in an official capacity. (2) Persons whose pertinent business activity is confined to the production of unclassified technical data only. (3) Persons all of whose manufacturing and export activities are licensed under the Atomic Energy Act of 1954, as amended. (4) Persons who engage only in the fabrication of articles for experimental or scientific purpose, including research and development. (c) *Purpose*. Registration is primarily a means to provide the U.S. Government with necessary information on who is involved in certain manufacturing and exporting activities. Registration does not confer any export rights or privileges. It is generally a precondition to the issuance of any license or other approval under this subchapter.

3. DFARS Requirement 252.225-7014 Preference for Domestic Specialty Metals - As prescribed in 225.7002-3(b)(1), use the following clause: PREFERENCE FOR DOMESTIC SPECIALTY METALS (JUN 2005) (a) *Definitions*. As used in this clause—(1) “Qualifying country” means any country listed in subsection 225.872-1 of the Defense Federal Acquisition Regulation Supplement. (2) “Specialty metals” means—(i) Steel—(A) With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or(B) Containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium;(ii) Metal alloys consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 percent; (iii) Titanium and titanium alloys; or (iv) Zirconium and zirconium base alloys. (b) Any specialty metals incorporated in articles delivered under this contract shall be melted in the United States or its outlying areas. (c) This clause does not apply to specialty metals—(1) Melted in a qualifying country or incorporated in an article manufactured in a qualifying country; or (2) Purchased by a subcontractor at any tier. (End of clause) ALTERNATE I (APR 2003)As prescribed in 225.7002-3(b)(2), substitute the following paragraph (c) for paragraph (c) of the basic clause, and add the following paragraph (d) to the basic clause:(c) This clause does not apply to specialty metals melted in a qualifying country or incorporated in an article manufactured in a qualifying country. (d) The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts for items containing specialty metals.

4. Quality Standards Requirements Flowdown – Subcontractors are encouraged to have a quality system which meets one of the following requirements as applicable: AS9100, D6/82479 Addendum 1, ISO 9001. A signed copy of Wolfe’s T’s & C’s and a subcontractor evaluation form (WMI-17) must be on file at Wolfe Machine, Inc. prior to acceptance of product. Wolfe Machine, Inc. reserves the right to approve subcontractors based on requirements and resources.

5. Quality Records – Quality records must be maintained on file for a minimum of ten (10) years (unless otherwise specified) and readily retrievable upon request.

6. Material Suppliers – Material supplied against this contract must be purchased from approved sources of the end item users (Wolfe Machine, Inc.’s customer).

7. Materials Receiving Inspection – Seller certifies that he has performed receiving inspection on purchased materials to ensure compliance with all drawings and specifications, and has test reports and/or raw material certifications on file available for review upon request.

8. Latest Revisions – The product being manufactured and/or service being performed must be completed per the latest revision. At no time will other revisions be used other than what is indicated on the drawings or purchase orders without the express, written permission of an authorized representative of Wolfe Machine, Inc.

9. Approved Processing Sources – Subcontractors shall use only end items customer approved processing source.

10. Manufacturing Routings – Seller certifies that shop travelers/manufacturing work orders will reflect and indicate work requirements, including non-destructive inspection, as evidence by the supplier's quality assurance signature or acceptance stamp, and are on file available for review upon request.

11. Control of Non-Conforming Product – Non-conforming product produced from Wolfe Machine, Inc. supplied material will be segregated, tagged and returned to Wolfe Machine, Inc. along with completed (Subcontractors) internal non-conformance report. Documented cause and corrective action is required.

12. Handling, Packaging, Preservation and Delivery – The subcontractor shall use appropriate methods of handling, packaging and preservation to prevent damage of product in process and during delivery.

13. Evidence of Inspection – A qualified representative of the suppliers quality department shall sign and document acceptance status for each shipment as evidence of final inspection.

14. First Article Requirements – A completed First Article Inspection Form per AS9102 shall be provided with the first shipment as evidence of 100% inspection of one of each part from the first shipment. Suppliers with contracts that have been novated or assigned to Wolfe Machine, Inc. by their customer shall provide a copy of the first article report matching the current configuration.

15. Product Certification – Seller shall certify that all parts which are supplied, conform to purchase order requirements, applicable specifications, finishes, dimensions, etc. and records are on file subject to examination by Wolfe Machine.

16. Certificate of Compliance (C of C) – A certificate of compliance shall accompany all shipments. The certificate of compliance must be signed by an authorized representative and reflect all information necessary to identify the product, quantity, current revisions, and whatever services or processes you have performed. All documents must be 100% legible.

17. Test Reports – The original mill or foundry chemical and mechanical test reports for material used in fulfilling this order must be maintained for a period of ten (10) years. The heat lot number of each test report must be traceable to the material. Any reprocessed raw material must be traceable to the original mill test report and must include objective evidence of compliance (e.g., mechanical tests) to the materials reprocessed condition. Copies of the test reports must be submitted with each shipment. When Wolfe Machine, Inc. provides material, the supplier must ensure that a statement is included on the shipment certification and/or shipper identifying "Wolfe Machine, Inc. Supplied Material". All documents must be 100% legible.

18. Traceability / Lot Shipment Requirements – Lots may not be commingled. Shipments may consist of no more than two (2) manufacturers lots for each part number included in an order. No quantity of a single manufacturers lot may consist of less than 20 percent of the total quantity per shipment unless otherwise specified on the purchase order.

- A casting, forging, machined part or stamping lot consists of the same part number, of one alloy, produced using the same processing parameters (including heat treat) and contains a homogeneous heat pour, or same basic material.

- A production lot shall consist of parts that are all the same configuration fabricated under same conditions, from the same material type, processed (including heat treat) together and produced as one continuous run.

- A plating lot (cadmium, anodize, chemical milling, etc.) shall consist of treated articles on the same order, treated under the same conditions, from the same chemical composition, from the same tank.

- A coating lot (paint, dry film lube, etc.) shall be processed as one batch, on the same part, on the same order. A batch is defined as the end product of all of the raw materials mixed or blended in a single or continuous operation.

19. Product Verification – Verification by Wolfe Machine, Inc. shall not absolve the Seller of the responsibility to provide acceptable product, nor shall it preclude subsequent rejections by Wolfe Machine, Inc.

20. Shelf Life – When services from the supplier include using materials with a limited shelf life, the supplier shall include the expiration date of the materials used and batch identification on the required certifications.

21. Control of Wolfe Machine Property - Seller shall ensure control of Wolfe Machine property, which includes storage, safeguard and recovery, which includes, but is not limited to Tooling, Mylar, NC Programs, Drawings and Wolfe Machine Aids.

Special Purchase Order Quality Clauses

The following Quality Clauses apply if specifically referred to in the notes of the Purchase Order.

22. Source Inspection – If specified on the purchase order, Wolfe Machine source inspection is required prior to shipment from your facility. Upon request, seller shall provide personnel and equipment to assist buyer's representative during inspection of items. On site product acceptance by Wolfe Machine and/or customer personnel does not absolve the seller of the responsibility to provide acceptable product, nor shall it preclude subsequent rejections by the Wolfe Machine, Inc.

23. Key Characteristics – Seller shall inspect all key characteristics referenced on purchase order or print.

24. Configuration Control – Seller shall ensure configuration control and conform to the requirements of D6-51991 when using digital datasets.