



SUPPLIER / SUBCONTRACTOR PURCHASE ORDER QUALITY REQUIREMENTS TERMS & CONDITIONS

- 1. RIGHT OF ENTRY:** California Hydroforming operations, its customers, will have the right to enter the supplier/subcontractor facility to inspect or witness activities performed during the execution of purchase order to ensure compliance to all specifications. The Seller shall permit access to the Sellers facility and any sub-tier sellers for surveying/auditing. The survey/audits may include personnel from the Buyers, Buyer's customer representative and/or regulatory authorities, and shall include access to all records applicable to Buyer's product or orders.
- 2. ACCEPTANCE:** Acceptance of this order of the initiating of any process, furnishing of any product or the acceptance of payment constitutes unconditional acceptance by the supplier/subcontractor
- 3. NOTIFICATION OF NONCONFORMANCE:** Seller will notify California Hydroforming within 24 hours of any nonconformance(s) identified or suspected.
- 4. AMENDMENTS:** Purchase order amendments shall be set forth in writing via purchase order change notice and/or revised purchase order issued to the affected supplier/subcontractor. California Hydroforming Inc., will consider requests for modifications or objections to purchase order terms & conditions when submitted in writing prior to the acceptance of purchase order by supplier/subcontractor. Supplier/subcontractor quality requirements (SQR) are non-negotiable.
- 5. PRICE:** Pricing stated on this order covers all goods and to be provided by the supplier/subcontractors as specified in the order. These prices also cover all charges for packaging, containers and transportation unless specifically stated otherwise on the face of the order.
- 6. PRODUCT DISPOSITION:** Seller must obtain buyers written approval for nonconforming product disposition.
- 7. NOTIFICATION OF PROCESS CHANGES:** Seller must notify buyer in writing of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain buyer written approval.
- 8. SHIPMENT:** Goods and services under this order shall be F.O.B. as set forth by the purchase order. Supplier/subcontractor shall adhere to California Hydroforming Inc., instructions for method of shipment except where otherwise stated in the purchase order.
- 9. SCHEDULE:** Delivery schedule will be the responsibility of the seller. The seller shall not be held liable for damages with respect to the delivery delays attributes to causes beyond supplier/subcontractor reasonable control.
- 10. SELLER CORRECTIVE ACTION:** In response to Buyer-initiated corrective action requests, Seller shall advise Buyer of root cause determination, corrective action taken to prevent recurrence of reported problems and/or discrepancies, and effectively dates of the planned corrective action(s). Seller shall maintain a corrective action system that determines the effectiveness of such corrective actions, and that prevents shipment of nonconforming articles without prior approval from Buyer.
- 11. CERTIFICATE OF CONFORMANCE:** The Seller shall furnish a Certificate of Conformance with each delivery attesting that each item of hardware and/or software conforms to all requirements of the Buyer's specification and purchase order and that all required test and inspections have been performed.
- 12. QUALITY SYSTEM:** Suppliers shall maintain a Quality System. The Supplier's quality system shall satisfy the requirements of the ISO9000 and/or the AS9100 standard, unless otherwise approved by California Hydroforming Inc. Any substantial changes to the Suppliers' quality system must be communicated to California Hydroforming Inc. in writing.



13. BUYER REVIEW: During the performance of this Order, the Buyer reserves the right to review; verify and/or analyze the Supplier's Quality and/or Inspection System and Manufacturing processes at the Supplier's facilities. The Buyer's representative shall notify the Supplier forty-eight (48) hours in advance of the intended review start date and duration. Buyer's inspection/acceptance of product prior to shipment is not required unless otherwise specified in this Order.

14. SPECIAL PROCESSES: The Seller and any of its subcontractors performing special processes, such as welding, non-destructive testing, heat treating, plating, anodizing, soldering, etc. shall submit a certification listing the specification designation/number and that the special process was performed in accordance with such specification. Heat treating/oven cure charts will be provided as required.

15. TRACEABILITY REQUIREMENTS: The Seller shall provide means of end item traceability. The Seller may use the original manufacture Lot/Date Code/Serial number or their own method for identifying the end item product as required for proper traceability. Multiple Lot/Dated coded material cannot be combined on a single shipper and must be packaged separately. Each Lot/Date coded batch must have a corresponding shipper. Serialized shipments must have the serial numbers listed on the shipper and on the corresponding intermediate packaging. Duplication of Lot/Date Code/Serial numbers is prohibited.

16. PACKAGING & SHIPPING: The Seller shall clean, preserve and use special packaging as required on this order, or when not specified, seller may use specially designed shipping containers and/or good commercial practices as deemed necessary to prevent shipping damage. As a minimum, the label shall contain the following information: Part number and revision date of manufacture and Buyer's Order Number.

17. CERTIFICATION OF MATERIAL(S) & PROCESS(ES): The Seller shall submit certifications for raw material (chemical and physical characteristics) and/or processes (stating specification) used in the manufacturing of the item(s). If outside processing is performed; a certification from subcontractor is to be provided. **Note:** when specified on the Purchase Order, raw material such as titanium, aluminum, etc. must have the appropriate heat lot identified on each piece for heat lot traceability.

18. REQUIREMENTS OF CONFORMANCE: Neither surveillance, inspection and/or tests made by the Buyer or his representatives at either the Seller's or Buyer's facility, nor the Seller's compliance with all applicable product assurance requirements shall relieve the Seller of the responsibility to furnish items which conform to the requirements of the purchase order.

19. QUALIFICATION OF PERSONNEL: The Seller shall employ competent personnel to ensure Buyer's requirements are met for approval of product, processes, procedures, and equipment.

20. IDENTIFICATION & REVISION STATUS: The Seller shall maintain the identification and revision status of the Buyer's specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data. Unless otherwise specified on the Purchase Order, the latest specification revision in effect at the time the lot of raw material / parts was originally manufactured or processed shall apply. In the event a document has been superseded, the latest revision of the superseding document shall apply.

21. PRODUCT ACCEPTANCE: The Seller shall follow all requirements stated on the purchase order, drawing, data specifications and process instructions to ensure product conformity, documentation and records are obtained.

22. REQUIREMENTS FOR TEST SPECIMENS: Where the Seller utilizes sample inspection plans or other statistical techniques, these shall be statistically valid and submitted to Buyer for approval prior to use. If the sample contains rejected items, the Seller must, for the rejected feature or parameter, use a documented method, such as 100% screening to assure the buyer that zero rejects are present.



23. RECORD RETENTION: The Seller shall maintain records regarding Buyer's purchase order, specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data. Records shall be maintained by the Seller for a minimum of seven years.

24. COUNTERFEIT PARTS PREVENTION: To prevent the purchase of counterfeit or suspect / unapproved products and to ensure product identification and traceability (and for other reasons), Supplier will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and / or other supporting documentation as in appropriate. The supplier shall notify California Hydroforming Inc, as soon as it becomes aware of any counterfeit materials or suspected counterfeit materials supplied to California Hydroforming Inc. Material and part substitution are not allowed unless authorized by California Hydroforming Inc, and documented on the purchase Order.

25. ETHICAL BEHAVIOR: The seller and subcontractor shall ensure that they are not receiving gratuities, gifts, etc. in lieu of acceptance of nonconforming product or processes performed

26. CANCELLATION: Shall remain the right of California Hydroforming Inc., and may be initiated at any time.

27. TOOLING: California Hydroforming Inc., furnished tooling shall be maintained, protected from harm and damage, maintained in proper working condition by supplier/subcontractor. Any damage(s) to the tooling while in the care of the supplier/subcontractor shall be reported immediately to California Hydroforming Inc., for instructions / resolution to the problem / condition.

SUPPLIER QUALITY REQUIREMENTS

SQR-1 PURPOSE, SCOPE & APPLICABILITY: This document is subject to the California Hydroforming Inc. Non-Disclosure Agreement or other Non-Disclosure Agreements and Terms and Conditions in place between California Hydroforming Inc. and Supplier. The Supplier requirements as noted below shall apply to all Suppliers and sub-tier Suppliers to California Hydroforming Inc. providing raw materials, manufactured components and products as well as performing material processing such as, but not limited to: heat treating; chemical processing; surface enhancements; non-destructive and destructive testing; coatings; welding; and nonconventional machining processes. Acceptance of a Purchase Order from California Hydroforming Inc. binds the Supplier to the Terms and Conditions listed in the Purchase Order and the requirements listed in this document, unless alternate Terms and Conditions have been agreed to in writing between California Hydroforming Inc. and the Supplier. The Supplier is not authorized to outsource any portion of the Purchase Order requirements unless specifically authorized by California Hydroforming Inc; and they are required to flow down these requirements to any sub-tier Suppliers if they are authorized to use any.

SQR-2. QUALIFIED SUPPLIER(S): Suppliers to California Hydroforming Inc. must achieve Qualified Supplier status. Failure to achieve Qualified Supplier status may result in a cessation of the business relationship between California Hydroforming Inc. and the Supplier. The Supplier shall meet the following criteria within an agreed upon time frame between the Supplier and California Hydroforming Inc.

– Meet California Hydroforming Inc.'s quality requirements and achieve a "green" rating for the previous six months. In the event that a green rating has not been achieved, Supplier will be placed on probationary status and monitored to determine if qualification will remain active.

– Shall have evidence of ISO9000 or AS9100 compliance unless otherwise approved by California Hydroforming Inc.

California Hydroforming Inc. reserves the right to revoke a Supplier's Qualified Supplier status at any time.



SQR-3 CALIBRATION: For calibration Purchase Orders, all gauges and instruments must be calibrated using standards whose accuracies are traceable to the National Institute of Standards and Technology, the General Conference of Weights and Measures, or fundamental or natural physical constants. The supplier shall establish and maintain a documented Calibration / Measurement System in compliance with ANSI – Z540.1 or ISO 10012-1 for the control of measuring and test equipment. All provided calibration certifications must specifically state compliance with ANSI – Z540.1 or ISO 10012-1.

SQR-4. SUPPLIER CONTROL OF ENGINEERING DATASET: Suppliers to California Hydroforming Inc. who receive CAD/CAM/CAI/CAE datasets or drawings from California Hydroforming Inc. either in hardcopy or electronic format shall not alter or modify these datasets or drawings. Supplier must treat these datasets and drawings as California Hydroforming Inc. confidential information and protect them as outlined in the non-disclosure agreement between California Hydroforming Inc. and Supplier.

SQR-5. FIRST ARTICLE INSPECTION: If noted in the Purchase Order, the Supplier shall submit a First Article Inspection report that conforms to AS9102 requirements on the first production run of product. Other forms of inspection reports may be acceptable if approved by California Hydroforming Inc. Also, per AS9102 section 5.3, the Supplier shall perform and submit a full FAI, or a partial FAI for affected characteristics, when any of the following events occurs:

A change in the design affecting fit, form or function of the part.

A change in manufacturing source(s), process(es), inspection method(s), location of manufacture, tooling or materials, that can potentially affect fit, form or function.

A change in numerical control program or translation to another media that can potentially affect fit, form or function.

A natural or man-made event, which may adversely affect the manufacturing process.

A lapse in production for two years or as specified by California Hydroforming Inc.

The Supplier should, when practical, clearly identify (mark/tag – non-permanent) the product used to develop the FAI. All certifications and test reports required by the Purchase Order and/or drawing(s) shall be submitted with the FAI package which includes a copy of the assembly, sub-assembly, and detail FAI reports as applicable.

SQR-6. FAIR: The supplier shall perform and document a complete First Article Inspection Report (FAIR) including 100% of Blue Print or specification requirements. One copy of supplier FAI report will be furnished to California Hydroforming Inc, along with the first shipment for this PO and / or contract.

SQR-7. KEY CHARACTERISTICS: The supplier shall implement and maintain a Key Characteristics (KC) control program acceptable to California Hydroforming Inc.

SQR-8. SAMPLING REQUIREMENTS: If the Supplier chooses to use sampling as a means for product acceptance, the Supplier shall comply with ANSI/Z1.4 – 2003, TABLE I, GENERAL INSPECTION LEVEL II, AQL 4.0. The Supplier shall satisfy the requirements of Aerospace Recommended Practice ANSI/Z1.4 - 2003.

SQR-9. BUYER REVIEW: During the performance of this order, the buyer reserves the right to review, verify and / or analyze the Supplier's Quality and / or Inspection System and Manufacturing processes at the Supplier's facilities. The Buyer's representative shall notify the supplier (48) hours in advance of the intended review start date and duration. Buyer's inspection / acceptance of product prior to shipment is not required unless otherwise specified in this order.



SQR-10. SHELFLIFE IDENTIFICATION: All material shall have at least ½ the shelf life remaining on the product at time of receipt. Unless otherwise specified in the material specification or Purchase Order, each container shall be identified to include at a minimum:

Manufacturer Name

Compound & Specification Number (if applicable)

Batch Number assigned by manufacturer

Expiration Date

Storage Temp Requirements (if applicable)

SQR-11. SPECIAL PROCESSES – NADCAP: If indicated in the Purchase Order that a NADCAP approved Supplier is required, the Supplier must not perform any work or process any part if they are not NADCAP approved. Supplier have a change to their NADCAP certification or accreditation, the Supplier MUST notify California Hydroforming Inc. per the terms of the NADCAP requirements. If processing has been performed on parts where NADCAP certification is required and the processor is not NADCAP accredited or has lost their NADCAP accreditation, the Supplier will be responsible for the replacement costs of the parts including any expediting fees necessary for California Hydroforming Inc. to meet our requirements to our customer.

SQR-12. RAW MATERIAL CERTIFICATION: A copy of the raw material certification shall be submitted with the shipment that assures conformance to all applicable raw material specification requirements, including Conflict Mineral information, per the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, regarding Gold, Tin, Tungsten and Tantalum. California Hydroforming Inc. must be informed and the smelter information must be made available to verify compliance with the requirements of the Act. These certificates must contain reference to the specification and revision to which the material conforms. All chemical, physical, and mechanical properties test results required by the specification shall be retained by the Supplier. Traceability from the certification to the material submitted is required and shall be retained. Unless otherwise specified, material temper conditions must match the Purchase Order. As an example, aluminum bar specified as 6061-T6 may not be substituted with 6061-T651 unless specifically stated in the Purchase Order.

SQR-13. DFARS REQUIRED MATERIAL: For Purchase Orders specified as DFAR or DFARS (Defense Regulations Acquisition Regulations System), the following clauses are incorporated in their entirety:

DFARS 252.225-7008 and

DFARS 252.225-7009 and

DFARS 252.225-7010 and

DFARS 252.225-7012

All applicable clauses above are incorporated into the Purchase Order and must also be flowed down to all sub-suppliers that provide any articles delivered under this purchase order that include Specialty Metals. All such clauses provide the same definition of Specialty Metals and prohibit California Hydroforming Inc., and all of its suppliers at every tier from incorporating Specialty Metals into US Military parts, components and/or end item deliverables unless the Specialty Metals have been smelted (the deviation clauses add “or produced”) in the United States, its outlying areas, or a qualifying country listed in DFARS 252.225-7012. Exemptions to requirements of the above clauses may exist, as outlined in the clauses themselves, or by operation of applicable Department of Defense Domestic Non-Availability Determination (DNADS) posted on its public website for that purpose.



If material is found not to be compliant with DFARS, the material will be returned to the Supplier at the Supplier's expense and California Hydroforming Inc. will be reimbursed for the entire cost of the material even if the material is in a machined state. If subsequent to delivery, California Hydroforming Inc. or the Supplier determines that the supplied material was not DFARS compliant, the Supplier shall be responsible for any and all costs associated with any remedy including any penalties imposed upon California Hydroforming Inc. from either the United States Government (or applicable contracting authority) or their contracted Supplier.