

Wilshire Precision Products Special Purchase Order Conditions

Purchase Orders issued by Buyer to Supplier may contain one or more of these Special Purchase Order Conditions (SPOCs). Supplier's acceptance of the Buyer's Purchase Order by acknowledging the same or by fulfilling the Purchase Order is a confirmation that the Supplier will comply with the SPOCs stated on the Purchase Order. The applicable SPOCs will be stated on the Purchase Order by providing the SPOC codes, and Supplier shall either use the Wilshire Precision Products website (www.wilshireprecision.com) or request the Buyer to send a copy of these SPOCs.

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Q01 Certification of Conformance

The Supplier shall furnish, with each shipment, a Certificate of Conformance that shall be signed by a responsible representative and must show the part number, revision level, Purchase Order number, date, and title of the responsible person. For some spot operations, a standard shipper will be acceptable. Please contact Wilshire Precision quality or purchasing who will consult with quality for approval. Where applicable, we also require full traceability to the original manufacturer. In that case you need to provide a set of certifications which provide a clear link between the lot numbers you deliver and the lot number manufactured by your source.

Q02 Measuring and Test Equipment

Supplier shall establish and maintain documented procedures to control, calibrate, and maintain, inspection measuring and test equipment used by the Supplier to demonstrate the conformance of product to the specified requirements. This system shall meet the requirements of ISO 10012-1, ANSI/NCSL Z540-1-1994, or an equivalent national or international standard as a minimum.

Q03 Inspection/Test Reports, Retention of Records, Training

Supplier shall retain records of inspection/tests and raw material certifications relevant to this procurement for a period of 15 years minimum, or as required by contract. Where the documents are kept electronically or in a computer system, they should be capable of being reproduced in a printed manner when required. Use of correction fluid or correction tape on quality records is prohibited. Legibility of quality records must be protected for the entire duration of retention time. Quality records must be in permanent ink – the use of non-permanent writing instruments such as pencils, erasable pens and such are prohibited. Hard copy (paper, mylar, etc.) records should be shredded or rendered unreadable when discarded. Electronic records should be permanently deleted from the computer system (all computers, servers, hard drives, etc) after the retention period has expired. Operators and Quality Inspectors must be provided appropriate training in accordance to acceptable industry standards. A record of training must be maintained, which must include, at a minimum, the individual's name, the most recent training completion date, a description, copy or reference to training materials used to meet the training requirement, the name and address of the organization providing the training, and objective evidence which shows that a test has been completed satisfactorily to demonstrate the training provided was effective. Training records must be made available upon request to authorized quality representatives of Wilshire Precision Products, Inc., herein referred to as "WPP", its customers, and any appropriate national authority.

Q04 Buyer Surveys, Surveillance, Audits, and Inspection

Buyer has the right to conduct surveys, audits, and surveillance of Supplier's facilities, or those of Supplier's subcontractors or suppliers with prior coordination with Suppliers to determine the capability to comply, and to verify continuing compliance, with the requirements of the Purchase Order.

Q05 Raw Material Certification

With each lot of raw material delivered or used to fabricate products on this Purchase Order, the supplier shall furnish a certified "Raw Material Test Report". The Test Report shall include, name of the company that furnished the material, as well as material description, name or designation, alloy, type and class. All raw material shipped against one purchase order must be furnished from the same heat lot, unless otherwise approved by WPP in writing.

Q06 Special Processes

Supplier must include a Certificate for each special process that was performed, including class, type, grade, acceptance criteria and specification revision level as applicable.

Q07 Limited Shelf Life Materials

With each delivery of materials on this Purchase Order, that have a limited or specified shelf life, the Supplier shall furnish certification that shall state the WPP purchase order number, date of shipment, the product name, quantity being shipped, cure or manufacture date, expiration date or shelf life, storage temperature, lot or batch number, and any special handling procedures that need to be followed. Materials shipped to WPP against this Purchase Order must have a minimum of 75% of the maximum Shelf Life from the date of manufacture, unless otherwise approved by WPP in writing.

Q08 Flow Down Requirements

Supplier shall flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics.

Q09 Right of Access

Supplier shall provide access to WPP, its customer, and regulatory authorities to all facilities involved in the performance of this order and to all applicable records.

Q10 Sample Inspection

Sampling Plans used by the Seller shall conform, at a minimum, to ANSI/ASQ Z1.4. Buyer's acceptance is based on C=0.

Q11 Nonconforming Material Notification

Supplier must submit to WPP in writing of any nonconforming material/product produced during the performance of this Purchase Order. Supplier must obtain WPP's approval in writing prior to the disposition of such material/product. Supplier may not use "use-as-is" or "repair" disposition unless approved by WPP.

Q12 Change in Product or Process Definition

Supplier must notify WPP, and must obtain approval from WPP should there be a change in product or process definition. Please Notify Wilshire Precision of changes to processes, products, services, including changes of external providers or location of manufacture and obtain Wilshire Precisions approval prior to proceeding.

Q13 Supplier Notification of Non-Conforming Parts Delivered to WPP

When Supplier discovers that non-conforming material/product have been delivered to WPP, Supplier must notify WPP within 24 hours of the discovery. Such notification must be in writing, and Supplier must receive receipt acknowledgement from WPP. The notification shall include, at a minimum:

1. Supplier name
2. WPP PO number
3. Part number and/or description
4. Quantity and dates delivered
5. Description of the non-conformance

In addition, Supplier must provide WPP with a formal letter within 5 days of the initial notification. In addition to the requirements listed above, the letter must also include:

1. The potential effects of the non-conformance on the performance, reliability and safety of the product/material.
2. Recommended actions for WPP in the event that the product/material has already been delivered to WPP's customer.
3. Description of the action items taken by Supplier to control and contain the non-conforming product/material.
4. Root cause analysis and corrective action plan.
5. Plan for verification of the effectiveness of the corrective action.

Q14 Supplier Acceptance of Purchase order from WPP

Unless notified in writing, supplier accepts the terms of the purchase order and is able to fully satisfy the requirements as listed on the purchase order including any and all requirement flow down. Any deviations or exceptions must be approved by WPP.

Q15 Handling of Product

Parts should be handled and packaged as required to preserve lot identity, and prevent damage. Completed parts should be cleaned and, if required protected using an appropriate corrosion preventive prior to packaging. Packaging should prevent damage due to contact of parts with one another during shipment.

Q16 Counterfeit Parts and Material

The Supplier must ensure process control to prevent Counterfeit Parts from being delivered to Wilshire Precision. (A product produced or altered to imitate or resemble a product without authority or right to do so, with the intent to mislead or defraud by passing the imitation as original or genuine) "Counterfeit Parts / Material Prevention: Seller shall establish and maintain a Counterfeit Parts / Material Prevention and Control Plan using AS-5553 (Ref. elements of Section 4) and/or AS6174 (Ref. elements of Section 3) to ensure that Counterfeit Work is not delivered to Buyer. The purpose of Seller's Plan shall be to develop a robust process to prevent the delivery of counterfeit commodities and control commodities identified as counterfeit."

Q17 Ethical Behavior, Quality, Importance and Impact

Ensuring that persons are aware of: – their contribution to product or service conformity; – their contribution to product safety; – the importance of ethical behavior. And that the Competence of Personnel as applicable, meet the requirements of the Wilshire Precision. Purchase Order Service or Products Ordered.

Q31 First Article Inspection Report (FAIR)

The Supplier is required to perform a FAIR prior to running the production. FAIR must be sent to WPP for approval prior to running the production run.

Q32 FAIR Submission

Supplier must submit the FAIR on the SAE AS9102 form.

Q34 100% Inspection Required

The products purchased in this Purchase Order must be inspected for all features 100%.

Q35 SPC Program

Supplier shall utilize an SPC program to establish, control, and verify process capability, product characteristics, and process improvement. In the event a process capability $Cpk = 1.33$ cannot be achieved, Supplier shall notify the buyer immediately along with appropriate corrective actions to achieve this.

Q36 WPP Source Inspection

WPP inspection is required prior to shipment from your plant. Notify the WPP buyer five (5) days in advance of final inspection so that arrangements for source inspection can be coordinated. WPP source inspection shall not constitute product acceptance, nor shall it relieve the Supplier of any liability for full compliance with the requirements of the Purchase Order.

Q40 Calibration Services provided to WPP

All calibration services provided to WPP shall be done to one of the following standards, ANSI/NCSL Z540-1-1994 or ISO10012. Supplier shall provide a certificate that shall reference the standard used to perform the calibration.

Q50 Defense Priorities and Allocations System (DPAS) applies

This is a rated job that may have national or defense significance. Supplier shall follow the provisions of 15 CFR 700.11. Supplier shall flow down the DPAS requirements to their sub-tier suppliers.

Q51 Customer approved Special Process Sources

Seller must use WPP's customer's approved special process sources for any special processes on this Purchase Order.

Q53 Government Inspection

Government Source Inspection is required prior to shipment from Supplier's Facility. Upon receipt of this Purchase Order, Supplier is required to immediately notify and provide a copy of the Purchase Order to the Government representative who normally services the Supplier's facility so that the appropriate planning for government inspection can be accomplished. If a Government representative does not normally service the Supplier's facility, the nearest Army, Navy, Air Force, or Defense Supply Agency Inspection Office shall be contacted. In the event that a Government representative cannot be contacted, the Supplier shall notify the Buyer in writing immediately.

Q54 Quality Management System Requirements

Supplier shall maintain a Quality Management System that shall, at a minimum, meet the requirements of current revision of ISO9001, or if specified in the Purchase Order, SAE AS9100. Supplier must be audited and certified by an independent agency while performing on this Purchase Order.

* Suppliers who do not meet this requirement shall have a Quality Management System in place to ensure that all product and/or processes are performed to ensure repeatability and compliance with the purchase order work instructions.

Q55 Qualification of Personnel

Supplier must submit a list of qualifications of personnel that will work on this job for WPP's approval prior to commencing production.

Q56 Approval of Procedures, Processes and Equipment

Supplier must submit all procedures, processes and equipment list prior to production for WPP's approval.

Q57 American Citizenship Clause

No foreign nationals shall work on this order, U.S. persons only

Q58 Manned Flight Identification

Purchase Orders, contracts and subcontracts covering the procurement of flight hardware items for use in manned spacecraft shall contain the two blocks of text shown below either printed, stamped, or added in bold face type. Note: For use in manned space flight. Materials, manufacturing, and workmanship of the highest quality standards are essential to astronaut safety.

Q90 Compliance to DFARS 252.225-7014

Supplier must be in compliance with DFARS 252.225-7014, Preference for Domestic Specialty Metals, Alt I during the performance of this contract. Specialty metals must be melted in the United States or a qualifying country, or they can be melted anywhere but must be "incorporated in an article manufactured in a qualifying country". Supplier must contact Buyer if additional information or clarification is required to comply with this.

Q91 Buy American Act/TA 52.225-1

Material must be Domestic only. Made in the United States of America. No foreign material is allowed. Materials and product must meet the requirements of 52.225-1

Q92 Export Controlled Information.

(i) Definition: "Export Controlled Information" or "ECI" means all information and contract documents (purchase orders, drawing, specifications, etc.) furnished to WPP to be used in connection with a proposal/offer preparation or performance under a contract, which are identified as ECI. The ECI identification will be determined by an appropriate ECI review authority as specific by the United States Department of Energy (DOE) Office Export Control Policy and Buyer (NA-242).

(ii) Oral or Visual Disclosure: A party that discloses Export Controlled Information orally or visually shall identify it as Export Controlled Information at the time of disclosure.

(iii) Marking: All tangible objects, such as drawing, reports, programs or documents, which constitute and/or contain or may contain Export Controlled Information shall be marked "Export Controlled Information", "ECI" or such other markings as required or permitted by DOE guidance. Markings inadvertently omitted from Export Controlled Information when disclosed to a recipient shall be applied by such recipient promptly when requested by the disclosing Party, and such Export Controlled Information shall thereafter continue to be treated as provided in this clause.

(iv) Handling: Export Controlled Information shall be protected in accordance with the DOE guidelines on Export Control and Nonproliferation and with U.S. Government export control laws and regulations. Each recipient shall not disclose the information to suppliers or contractors who are not U.S. owned and managed or to employees who are not U.S. Citizens, except in accordance with the DOE Guidelines on Export Control and Nonproliferation, and with U.S. Government export control laws and regulations. This restriction applies to written and oral guidance concerning performance, which may be provided by the Buyer technical representatives.

(v) Disclosure: Unless specifically and expressly approved in writing by the Buyer, Supplier shall not disclose any ECI or information that may contain ECI for any purpose to any individual who is not a U.S. citizen or to any non-U.S. person or entity (including any non-U.S. employee, supplier or Seller). For purposes of this Section, a person or entity is considered to be a non-U.S. if it is incorporated, organized or created under the laws of a foreign country, or is foreign owned, controlled or influenced as defined in applicable regulations and guidelines. This restriction applies to written and oral information and guidance which may be provided by the Buyer or any other person acting on behalf of the Buyer. Prior to disclosing any ECI to any person, Supplier shall include this Section in an Order or agreement with the recipient.

Q93 International Traffic in Arms Regulations

When handling documents that are identified as "Warning: ITAR Controlled", Supplier must ensure that these documents are handled in accordance with 22 CFR Parts 120-130.

Q94 Compliance to Executive Order 13224

Supplier must adhere to the requirements provided in Executive Order (EO) 13224 during performance of this Purchase Order. Supplier further agrees to include this requirement in lower-tier purchase orders or subcontracts hereunder. The requirements of EO 13224 is available on the [US Department of State](http://www.state.gov/s/ct/rls/fs/2002/16181.htm) website, or at this specific link: <http://www.state.gov/s/ct/rls/fs/2002/16181.htm>

Q95 Compliance to RoHS

Products shipped against this order must be compliant to EU's Restriction of Hazardous Substances RoHS Directive 2002/95/EC.

Q96 Export Administration Regulations

When handling documents that are identified as "Warning: EAR Controlled", Supplier must ensure that these documents are handled in accordance with CFR Parts 730-774.