

Cross Technology Inc.

Purchase Order Terms (POT & C-0001, Rev,---) January 28, 2009

A1 – FOREIGN OBJECTS DEBRIS (F.O.D)

Supplier shall assure cleanliness of products provided. Delivered product must be clean and free from any debris, such as machined chips, burrs, grinding dust, forming materials, corrosion, oil and other foreign material on surface to prevent F.O.D. entrapment.

A2 – QUALITY MANAGEMENT SYSTEM (QMS) REQUIREMENT FOR SUPPLIERS

Cross Technology Inc. recognizes that one particular QMS may not fit all Suppliers, therefore, consideration must be taken based on the type of product or service provided.

A3 – NOTIFICATION OF CHANGES BY THE SUPPLIER

During the performance of the contract, the Supplier is required to give Cross Technology Inc. written notice when making any changes in the systems including name change and/or address change or procedures previously approved by Cross Technology Inc. or changes in management personnel that have responsibility for quality of product or service furnished to Cross Technology Inc.

Cross Technology Inc., at its opinion, may elect to conduct an on-site evaluation to determine the impact of such changes on previous approvals or potential affect on product or service quality levels.

A4 – FLOW DOWN TO SUB-TIERS:

All quality clauses in this purchase order/contract applies to the supplier whose name appears on the purchase order; as well as, all sub-tier suppliers. The supplier is responsible to flow these requirements to any machining or processing sub-tiers.

A5 – NOTIFICATIONS OF ESCAPES:

It is the responsibility of the supplier to notify Cross Technology Inc. immediately of any items that were provided and later discovered by the supplier to be defective. This notification of escape shall include as a minimum purchase order number, part number, suspected quantity, and discrepancy noted.

Immediately following the Notification of Escape, a complete Root Cause Analyzes including containment action with affectivity dates are to be forwarded to Cross Technology Inc.

A6 – CERTIFICATE OF CONFORMANCE

Except for:

- a. Standard hardware, electronic piece parts (NAS, AN, MS std. hardware, etc.),
- b. Suppliers approved for the Supplier Inspection Delegation Authority (SIDA) program, and
- c. Source Controlled Drawings, each shipment shall be accompanied by a legible and reproducible copy of a Certificate of Conformance. The Certificate must include, at a minimum, the following:
 1. Suppliers name and address
 2. Cross Technology Inc. purchase order number
 3. Quantity shipped
 4. Cross technology's part number (if applicable)
 5. Serial Numbers, Batch Numbers, Cert Numbers, Heat Numbers, or Cure Dates as applicable
 6. Signature and Title of Authorized Representative
 7. The Certificate of Conformance must contain a statement that all inspections, processing and tests have been performed as required by the drawing requirements and/or purchase order.
 8. Products controlled by heat numbers, cert. numbers, batch numbers or cure dates must be linked to the Certificate of Conformance by the controlling number.
 9. Each shipment also must be accompanied by **legible and reproducible** copies of all raw material, processing, test and hardware certifications needed to produce the part in accordance with the engineering drawing and/or purchase order requirements.
 10. An original signed Certificate of Conformance with the title of the Authorized Representative must be submitted with each shipment.
 11. The supplies furnished under this Purchase Order contain no metallic mercury or mercury compounds and are free of mercury contamination.

A7 – RIGHT OF ENTRY

It is agreed, that in the execution of this purchase order, Cross Technology Inc. and/or its prime contractor, including FAA representatives, will be permitted on site to review supplier facilities and procedures, as deemed necessary.

A8 – DIMENSIONAL FIRST ARTICLE INSPECTION

Cross Technology Inc. requires full compliance to **SAE AS9102 using the latest revision**, “Aerospace First Article Inspection Requirement”.

First Article Inspection (FAI) is required for the initial and periodic first article qualification and acceptance of production first articles manufactured by the supplier for the first time, produced to Cross Technology Inc. drawings or other drawings supplied by Cross Technology Inc. and/or purchase orders. Any deviation to this plan must be submitted in writing to the purchasing department for approval by Quality Management at Cross Technology Inc. Delta FAI shall also be supplied in the AS9102 format.

AS9102 and its latest revisions are available on line from the SAE website (www.sae.org).

The supplier is responsible to supply the following with the parts. All forms shall be completed electronically or in a permanent ink (no faxes).

- a. A completed FAI report using forms listed in the AS9102. Forms cannot be modified to change the instructions provided in the SAE AS9102 specifications.
- b. Copy of the Balloon Drawing with each characteristic or requirement clearly marked with unique identifier number. The number may be circled or boxed for easy visual identification.
- c. A new First Article shall be prepared for those parts/assemblies out of production for a period greater than two (2) years.

A9 – RECORD RETENTION

In addition to the requirements of the certifications included in the Cross Technology Inc. Purchase Order, any additional records related to work performed for Cross Technology Inc. maintained by the supplier must be kept complete and available to Cross Technology Inc. at the suppliers' facility, including without limitation, all records, reports, data and other information necessary to assure compliance with purchase order requirements. The records maintained at the suppliers facility must be maintained for a **minimum** of 10 years.

A10 – GOVERNMENT RATED CONTRACTS

Rated orders are identified in the purchase order by a priority rating consisting of the rating – either DX or DO – and a program identification symbol. Rated orders take preference over all unrated orders as necessary to meet required delivery dates. Among rated orders, DX rated orders take preference over DO rated orders.

Suppliers are required to flow the rating to sub-tiers for the item they need to fill the orders. This provision ensures that suppliers will give priority treatment to rated orders from contractor to subcontractor to suppliers throughout procurement chain.

A11 – KEY CHARACTERISTIC REQUIREMENTS

When Key Characteristic (KC) is identified on the engineering drawing or on the purchase order, seller is required to meet the minimum required capability of $Cpk \geq 1.33$. Until the minimum Cpk has been achieved all key characteristics or process results shall be 100% inspected. Supplier is responsible to ensure that sub-tiers meet the same requirement.

With each delivery, the supplier shall furnish a certification, indicating that all key characteristics/processes meet or exceed the minimum Cpk. For that KC that do not meet the minimum Cpk requirement, the supplier shall provide a statement that each KC or process has been 100% inspected. 100% inspection is not a substitute for Key Characteristic control.

A12 – SPECIAL PROCESSING SUB-TIERS

“Use only special process suppliers listed on the NADCAP Approved Vendor List”

Exceptions:

- a. If the drawing **is not** a Cross Technology Inc. original or current design authority **1SR57** or **26437** found on the bottom right of the engineer drawing, **use** the customer (design authority) Approved Vendor List, i.e. Northop Grumman, Gulfstream, etc.
- b. If the specification listed on Cross Technology Inc. drawing **is** a customer spec number **use** the customer AVL, i.e. BAC spec, use Boeing AVL.
- c. When the engineering drawing note for special process does not reference any specification.

NOTE: In the event that a supplier you selected is not listed in the NADCAP (eaudinet) you need to contact your purchasing agent immediately. Availability of a non-NADCAP supplier may be possible when approved by Cross Technology Inc. Quality Assurance department in writing.

A13 – PREFERENCE FOR DOMESTIC SPECIALTY METALS

The seller agrees to incorporate into any articles to be delivered under the purchase order specialty metals melted in the United States, its possessions, or a qualifying country. Specialty metals are defined in **Defense Federal Acquisition Regulation Supplement DFAR 252.225-7014 and its Alternate 1, restriction on Acquisition of Ball and Roller Bearings in DFAR 252.225-7016, and Qualifying Countries are listed in DFAR 225.872-1(a).**

In addition to information related to this purchase order, and as a minimum, certification for specialty metals shall include the following:

1. Raw Materials Suppliers:

- a. Material Specifications.
- b. Origin or name and location of melting facility.
- c. Lot, heat, or batch number.

2. Machined Parts Suppliers (including SIDA)

- a. Material Specifications.
- b. Origin or name and location of melting facility.
- c. Lot, heat, or batch number.

3. Fasteners

Statement:

“This shipment of product contains DFAR Compliant Material”

Exception:

Unless Supplier has obtained approval from TAS, LLC

4. Needle and Roller Bearings Suppliers

Statement:

“This shipment of product contains DFAR Compliant Material”

Exception:

Unless Supplier has obtained approval from TAS, LLC

5. Source Control Design Suppliers

Statement:

“This shipment of product contains DFAR Compliant Material”

NOTE: By an order of the Under Secretary Of Defense on January 29, 2008, DNADs for fasteners and needle roller bearing is to be canceled and therefore no longer applicable.