SUPPLIER QUALITY REQUIREMENTS

METALCRAFTERS TRANSPARENCIES and COMPOSITES, Inc.
11161 Slater Avenue, Fountain Valley, CA 92708

These Supplier Quality Requirements ("Quality Requirements" or "QR") define the obligations of the Supplier to ensure that the Products or Services satisfy Metalcrafters Transparencies and Composites, Inc. (MTCcorp) and its Customers' quality and regulatory requirements.

The Supplier is to comply with the applicable procurement and quality requirements listed below. Supplier's initiation of work constitutes Supplier entering into an agreement with the Company, which includes Supplier's compliance with the applicable clauses below and complete acceptance of the requirements.

New revisions of these Quality Requirements supersede all prior and contemporaneous understandings and requirements. These are standard purchase/quality requirements and are in addition to the standard terms and conditions of the Purchase Order.

This document is organized in two parts. Part A – General Quality Requirements (QR1 through QR25) applies to every Purchase Order. Part B – Sensitive Quality Requirements (QR26 through QR40), also applies to every Purchase Order unless the Purchase Order states that specific clauses of Part B do not apply to that order.

PART A – GENERAL QUALITY REQUIREMENTS (QR1 – QR25)

QR1. CERTIFICATIONS: Supplier shall provide a "Certificate of Compliance" (CoC) or "Certificate of Analysis" (CoA), as applicable, that material and/or articles meet all provisions of this Purchase Order. Certifications must accompany each production release delivered against this Purchase Order and must contain at minimum the following:

- Purchase Order Number.
- Part number (must include the part's drawing number and revision).
- A statement that the material conforms to the applicable specifications.
- A statement that conformance test reports and/or inspection records are on file, subject to examination at the Supplier's facility or at the point of manufacture.
- Signature/Traceable Mark and title of authorized agent.

Material certification is to include actual chemical, physical, or functional test reports; and/or records of special processes performed of the lot represented per the specification indicated on the Purchase Order. Supplier shall not supply material or services for which they are not certificated or approved.

QR2. QUALITY RECORDS: Supplier shall maintain all manufacturing, inspection and test records for a minimum of (15) years after the date of shipment to MTCcorp. These records must be legible, readily identifiable, easily retrievable and stored in a manner to protect them from any potential damage. Supplier shall also establish the means to disposition any non-conforming records. MTCcorp will have the right of access by the Organization, its Customer, and/or a designated representative or responsible regulator agency to any location, including sub-tier suppliers, where operations pursuant to a MTCcorp-issued Purchase Order are being executed or where there are records stored applicable to Product processed for the MTCcorp.

QR3. SUPPLIER QUALITY PROGRAM: Supplier and its subcontractor(s), in the fulfillment of a MTCcorp-issued Purchase Order, are to provide and maintain a quality system that is in conformance with ISO 9001, ISO 13485, AS9100, or the equivalent. Supplier is to inform the Company of any changes to Supplier's quality management system or certifications. This includes certification, re-certification, or withdrawals. If a Supplier has no third-party quality system certification, at minimum, the Supplier must meet all the quality requirements of this Quality Agreement.

MTCcorp may refuse to accept materials and services delivered under a purchase order if the Supplier fails to comply with the herein or the purchase order Assigned Requirements.

QR4. RIGHT OF ENTRY: MTCcorp, its customers, and their customers or any applicable regulatory agency shall have right of access to all facilities involved in the order at any level of the supply chain and to all applicable records.

QR5. ETHICAL AND RESPONSIBLE BEHAVIOR: The Supplier shall ensure that its employees are aware of their contribution to product conformity, their contribution to product safety, and the importance of ethical behavior. The Supplier agrees to exercise environmental stewardship by implementing sustainable practices and reducing their negative environmental impact.

QR6. PROPRIETARY AGREEMENT: All drawings, specifications, technical information, and electronic definition used in conjunction with a MTCcorp-issued Purchase Order are considered confidential and proprietary to MTCcorp

and its Customers. Unauthorized reproduction of media is not permitted in any form other than that intended to produce Product and/or Services directly associated with a MTCcorp-issued Purchase Order.

QR7. FLOW-DOWN REQUIREMENTS: Supplier must pass on to their sub-tier suppliers all applicable Quality Requirements as well as any pertaining corrective action requests, quality alert, and/or nonconformance information.

QR8. FOD PREVENTION: The Supplier shall implement and maintain a FOD Prevention Program in accordance with AS9146, Foreign Object Damage (FOD) Prevention Program - Requirements for Aviation, Space, and Defense Organizations. Supplier shall ensure that all products delivered to MTCcorp are free of any foreign objects or debris that could cause damage or impair functionality.

QR9. INSPECTION SYSTEM: Unless otherwise specified on the face of the Purchase Order, the Supplier shall have an adequate inspection system for maintaining control of materials/products fabricated/manufactured in their facility. Calibration procedures must meet, at minimum, the requirements of ISO 17025 or ANSI Z540 or ISO 10012. All inspection equipment shall be calibrated against standards/masters traceable to NIST. Supplier's inspection system may be periodically audited by MTCcorp personnel and/or by its Customer.

QR10. IDENTIFICATION AND TRACEABILITY: Supplier is required to identify each lot with a unique code/number for each lot number of raw material and/or each batch of items processed together but separately from the total quantity of the order (i.e., plating batches, polishing batches). Supplier agrees to identify all hardware in accordance with drawing requirements, which include serial number, lot number or by a permanent part number, configuration, foundry identification and melt number, or by a traceable chemical, physical analysis, and heat treat.

QR11. PRESERVATION AND MATERIAL CONTROL: Supplier shall furnish the shelf life of material and current expiration date of shipment lot/batch on the material certification. All material supplied to MTCcorp must have, at least, 90% of shelf life remaining.

QR12. PRESERVATION AND PACKAGING REQUIREMENTS: Unless otherwise specified, the Supplier shall maintain controls to assure the accomplishment of preservation, packaging, and arid shipping requirements of this order. The use of best commercial practices shall not relieve the Supplier of responsibility for packaging in a manner that will ensure receipt at MTCcorp in an acceptable condition. Supplier shall identify the outer container or pallet with the applicable PO #, Part #, and Lot #. Shipper/packing slip is to be included with the order.

QR13. **COUNTERFEIT PRODUCT/MATERIAL:** To preclude counterfeit parts (defined as: a part identified as a copy or substitute without the legal right or authority to do so or a part whose material, performance, or characteristics are knowingly misrepresented by a supplier in the Supply Chain) from being purchased, Supplier shall assure that approved sources of supply are maintaining effective processes for mitigating the risks of supplying counterfeit parts. Supplier shall mitigate risk of delivering counterfeit parts by having their own counterfeit part prevention plan and comply with the requirements of AS9100 Rev. D, Clause 8.1.4.

Supplier shall notify MTCcorp immediately if Supplier suspects or is aware of having furnished counterfeit goods; Supplier is to promptly replace the counterfeit parts with genuine parts. Supplying counterfeit goods to MTCcorp will hold the Supplier responsible for all costs associated with the replacement of said counterfeit parts.

QR14. NONCONFORMING PRODUCT AND CORRECTIVE/PREVENTIVE ACTION: Supplier is required to notify MTCcorp if Supplier receives suspected nonconforming Product from MTCcorp. Supplier is to obtain MTCcorp's written approval to proceed with work.

Supplier is required to notify MTCcorp if nonconforming Product, which cannot be reworked to specification, is produced. Supplier is to obtain MTCcorp approval of nonconforming product dispositions.

Unapproved repairs or non-conformances that are shipped to MTCcorp are subject to rejection upon detection regardless of the levels of consumption within MTCcorp. If MTCcorp labor and/or materials are added prior to the detection and rejection, then the Supplier and/or Subcontractor agrees to reimburse MTCcorp for the full loss in value (i.e., the supplied material, component, or assembly; added MTCcorp WIP labor; the added higher-level material consumed during the WIP process that occurred prior to detection of the repair).

MTCcorp may initiate a Supplier Corrective Action Request ("SCAR") upon identification of product/process nonconformity. In such case, Supplier shall investigate the cause of the nonconformity and provide to MTCcorp a corrective action plan no later than fifteen (15) calendar days of receipt of a SCAR. Supplier shall implement the agreed

corrective actions and effectiveness check within the agreed timeframe.

QR15. APPROVED SOURCES: Supplier is required to implement and maintain sub-tier supplier control. Control measures shall be sufficient to ensure that sub-tier suppliers' manufacture, package, label, test, and release of Products are consistent with these Quality Requirements.

QR16. APPROVED FACILITIES: It is the Supplier's responsibility to utilize only NADCAP-approved facilities for processing (such as Magnetic, X-ray or Zyglo Inspection, heat treating, plating, anodizing, etc.) used in performance of work relating to this order. Work performed by non-approved facilities is subject to rejection. Special Processors shall include required CoC with shipment to MTCcorp for process acceptance.

QR17. CHANGE OF OWNERSHIP, PROCESSES, SUB-TIER SUPPLIERS, LOCATION AND/OR QUALITY SYSTEM: Supplier shall notify MTCcorp in writing if there is a change of ownership, processes, sub-tier suppliers, location, quality system, or any change in processing that may affect MTCcorp's Product quality. This notification should be given as early as possible, before the changes are implemented.

QR18. CHANGE CONTROL: MTCcorp must be notified of any changes that affect an approved part or process prior to the implementation of the change. The approval process shall be as follows:

a) Class I: Samples of Class I (Major) change (as defined in 14 CFR 21.93a) must be submitted to MTCcorp for review and approval.
b) Class II: MTCcorp must be notified in writing of any Class II (Minor) changes for approval.

QR19. TOOLING PROCUREMENT: Title to all tooling covered by this order shall be the property of MTCcorp (free of all liens and encumbrances) upon acceptance by MTCcorp Tool inspector and/or acceptance by tool try. Unless otherwise specified:

- Supplier shall permanently identify each tool subject to this order with MTCcorp part number, tool number, date of manufacture, and the unit number. The unit number shall be organized by the Supplier. (Example: Unit 1 of 5, 2 of 5, etc.)
- Supplier shall provide a list that contains a description of each tool per the information specified above.
- All tooling manufactured for this order that is used in the Suppliers' facility for manufacture of article, shall be the responsibility of the Supplier for maintenance and storage. Tooling shall be the property of MTCcorp, for the exclusive use of MTCcorp, and subject to examination.

QR20. DELIVERABLE ITEMS: Articles or materials shall be manufactured or produced in accordance with applicable blueprints and/or specifications. Deviations may be made only by written amendment to the Purchase Order when authorized by MTCcorp Material Review Board. Existing deviated material may only be shipped after receiving written authorization from MTCcorp. A copy of the authorization must be attached to the shipment.

QR21. ACCEPTANCE OF PRODUCT OR SERVICE: Stamp/Signature of MTCcorp's employee on a packing slip does not signify acceptance of the work done. The receiving employee lacks the knowledge and authority to verify that the material is appropriate.

QR22. COMBATING TRAFFICKING IN PERSONS: The Supplier shall notify its employees and agents of the U.S. Government's policy regarding Combating Trafficking in Persons as described in FAR 52.222-50(b), as well as those resulting actions that may be taken against employees or agents for violations of this policy. The Supplier shall implement the required compliance plan described in FAR 52.222-50(h) to prevent any prohibited activities identified in FAR 52.222-50(b) and to monitor, detect, and terminate the contract with any subcontractor(s) engaging in prohibited activities.

QR23. HAZARDOUS MATERIAL: The supplier shall furnish applicable Material Safety Data Sheets for products designated by industry, state, or federal agencies as hazardous materials.

QR24. REACH REGULATION: Materials or Processes provided by Supplier shall not contain prohibited materials as with being in compliant to all legislation of EU adopted regulation No. 1907/2006 in relations to REACH.

QR25. CONFLICT MINERALS: MTCcorp shall not accept product that contains "Conflict Minerals" as defined by the U.S. Securities and Exchange Commission, as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The rules require manufacturers who file certain reports with the SEC to disclose whether

products they manufacture or contract to manufacture contain “conflict minerals” that are “necessary to the functionality or production” of those products. Suppliers to MTCcorp may be contacted and requested to substantiate the source of products that may contain conflict minerals, such as 3TG minerals. MTCcorp requires its suppliers to conduct similar due diligence on the sources and chains of custody of conflict minerals and make their due diligence findings available to MTCcorp and its Customers.

PART B – SENSITIVE REQUIREMENTS (QR26 – QR40)

The clauses in this Part B apply to every Purchase Order unless the Purchase Order states that specific clauses of this Part B do not apply to that order. Part B covers MTCcorp-furnished property and source verification, and Controlled Unclassified Information (CUI) and export-controlled (ITAR / EAR) information.

QR26. MTCcorp-FURNISHED RAW MATERIALS: Unless otherwise specified, materials furnished to Supplier’s shall be used in the MTCcorp manufacture of articles specified in this order. Materials scrapped in excess of allowable tolerance shall be (at MTCcorp’s option) replaced by the supplier or purchased from MTCcorp at its cost plus any special charges.

QR27. MTCcorp-FURNISHED MATERIALS FOR SPECIAL PROCESSES: Unless otherwise specified, all materials furnished for special processing shall not be under shipped. Rejected materials shall be identified and segregated from acceptable materials. Rejected materials shall be returned to MTCcorp for disposition.

QR28. MTCcorp-FURNISHED TOOLING/EQUIPMENT: Unless otherwise specified, all tooling and equipment furnished for this order shall be maintained in good condition and used for the manufacture of articles for MTCcorp only. Tooling/equipment shall be available for examination by MTCcorp’s personnel and/or returned to MTCcorp upon request or termination of this order. Supplier is responsible for timely calibration of all such tools. Where MTCcorp-furnished or MTCcorp-owned tooling embodies controlled technical data, Supplier shall control access to, storage of, and examination of such tooling in accordance with QR34 (ITAR / EAR Regulations) and shall not permit access by unauthorized persons.

QR29. MTCcorp TOOL SOURCE INSPECTION REQUIRED: Inspection of tooling shall be accomplished by MTCcorp Inspection personnel at intervals of fabrication and/or completion of work prior to shipment to MTCcorp. Acceptance is subject to compliance of design requirements and/or tool try acceptance. Request for source inspection shall be made according to QR31.

QR30. SUPPLIER FIRST ARTICLE (this requirement is applicable and FAIR is required only when it is clearly stated on the Purchase Order): Supplier shall perform First Article Inspection (FAI) as it pertains to Purchased Parts. FAI report is to accompany first shipment of parts. Supplier shall submit a complete First Article Inspection Report (FAIR), per AS9102 requirements, to MTCcorp for inspection and approval prior to proceeding with any further processing and/or production. The FAIR shall include a fully processed sample, a formal dimensional report, complete certification, signature/initials/stamp of qualified Supplier representative performing the inspection, and the date the inspection was performed. Items produced prior to MTCcorp’s approval shall be completely at the risk of Supplier. FAI reports must meet one of the following requirements:

a) For new or first-time production parts, built in accordance to MTCcorp drawings, complete FAIR must be submitted. This requirement also applies if new manufacturing tools are used for producing the parts.
b) Delta FAI report must be submitted for changes to confirm adherence to MTCcorp drawing revision changes.

Where the FAIR is derived from drawings or specifications identified as CUI or as export-controlled technical data, the FAIR, its attachments, and all supporting dimensional data shall be subject to the same marking, handling, and retention requirements as the source documentation, and shall be transmitted only by methods approved in writing by MTCcorp.

This clause is applicable only when it is specified on a MTCcorp-issued Purchase Order.

QR31. SOURCE INSPECTION (this requirement is applicable only when it is clearly stated on the Purchase Order): Supplier shall request MTCcorp Source Inspection for product verification prior to shipment from its facility. Acceptance of units shall not relieve Supplier of the responsibility for manufacturing units as defined in this Purchase Order. Advance notice of 48 hours shall be required for scheduling purposes.

In the event that contact has not been made between MTCcorp and Supplier before time of completion, the Supplier is

authorized to ship Product provided that all other requirements were met.

Customers of MTCcorp (including Government representatives) reserve the right to be present during any source inspection performed per this clause.

QR32. CONTROLLED INFORMATION NOTICE: Issuance of this document to Supplier constitutes notice that the Products, Services, drawings, specifications, technical data, and electronic definition furnished under the associated Purchase Order are Controlled Unclassified Information (CUI) and/or controlled under ITAR or EAR. Supplier shall treat all MTCcorp-furnished material received under a Purchase Order referencing this document as controlled unless MTCcorp states otherwise in writing.

QR33. FLOW-DOWN REQUIREMENTS – CONTROLLED INFORMATION (supplements QR7): As a condition of accepting this agreement, Supplier shall comply with and flow down to its sub-tier suppliers all cybersecurity, Cybersecurity Maturity Model Certification (CMMC) Level 2, Controlled Unclassified Information (CUI), and export control requirements, including International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR) requirements, applicable to the effort, project scope of work, deliverables, data, technical information, systems, or access provided under a Purchase Order referencing this document.

Supplier shall include the substance of these requirements in all lower-tier agreements involving CUI, ITAR-controlled information, EAR-controlled information, or related cybersecurity or export control obligations.

QR34. ITAR / EAR REGULATIONS: U.S. International Traffic in Arms Regulations (ITAR) & Export Administration Regulations (EAR) Requirements. All items, drawings, and technical data furnished under a Purchase Order referencing this document shall be treated by Supplier as export controlled unless MTCcorp provides written notice to the contrary. Where Supplier maintains design authority, Supplier shall notify MTCcorp if any deliverable under a MTCcorp-issued Purchase Order is a Defense Article within the meaning of the ITAR.

Supplier shall comply with all applicable U.S. export control laws and regulations. Supplier shall ensure that access to, disclosure, transfer, retransfer, and re-export of, and the storage, handling, and use of, all export-controlled items, technical data, technology, software, defense articles, defense services, and other controlled information furnished under a Purchase Order referencing this document are limited to authorized persons and conducted in accordance with applicable ITAR and EAR requirements. Supplier shall not permit access to export-controlled technical data by any foreign person, whether located within or outside the United States, without prior written authorization from MTCcorp.

QR35. CYBERSECURITY: Cybersecurity Maturity Model Certification (CMMC) Level 2 Requirements. Supplier shall implement and maintain compliance with NIST SP 800-171, as required by DFARS 252.204-7012; DFARS 252.204-7019, 252.204-7020, and 252.204-7021, as applicable; CMMC Level 2 requirements; Supplier Performance Risk System (SPRS) assessment and affirmation requirements; and upstream and downstream flow-down obligations related to CUI.

QR36. QUALITY RECORDS – CONTROLLED INFORMATION (supplements QR2): Where records maintained under QR2 contain CUI or export-controlled technical data, Supplier shall safeguard such records in accordance with QR34 (ITAR / EAR Regulations) and QR35 (Cybersecurity) for the full retention period. Upon expiration of the retention period, or upon written direction from MTCcorp, Supplier shall return or destroy such records and shall furnish written certification of destruction.

QR37. RIGHT OF ENTRY – CONTROLLED INFORMATION (supplements QR4): The right of access granted under QR4 extends to verification of compliance with QR34 (ITAR / EAR Regulations) and QR35 (Cybersecurity), including examination of the facilities, systems, and storage locations at which MTCcorp technical data is processed, stored, or transmitted, at any level of the supply chain.

QR38. PROPRIETARY AGREEMENT – CONTROLLED INFORMATION (supplements QR6): The obligations of QR6 are in addition to the legal control requirements stated in QR34 (ITAR / EAR Regulations) and QR35 (Cybersecurity).

QR39. CHANGES AFFECTING CONTROLLED INFORMATION (supplements QR17): Where a change identified in QR17 involves foreign ownership, control, or influence; relocation of work, records, or data storage outside the United States; or the addition of a sub-tier supplier that would receive MTCcorp technical data, Supplier shall provide written

notification in advance of implementation. MTCcorp may suspend release of CUI or export-controlled technical data pending completion of its review, and may withhold approval of the change.

QR40. EVIDENCE OF COMPLIANCE: Upon request, Supplier shall provide evidence of compliance, which may include, as applicable, its current SPRS score, System Security Plan (SSP), any associated Plan of Action and Milestones (POA&M), CMMC certificate or assessment status, affirmation status and most recent affirmation date, export control registration, classification, or authorization information, and confirmation that applicable requirements have been flowed down to sub-tier suppliers. Supplier shall provide the requested evidence within fifteen (15) calendar days of MTCcorp's written request unless a longer period is agreed in writing. Failure by Supplier or its sub-tier suppliers to comply with these requirements may result in suspension of performance, termination of this agreement, or other remedies available under applicable contract terms.