



An ISO 9001 – 13485 – AS9100 Registered Company

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U.L File Number E121196

Manufacturing Resource Group Aerospace Purchase Order Vendor Quality Note Flowdowns

THE FOLLOWING GENERAL TERMS AND CONDITIONS (GTC) APPLY TO ALL MANUFACTURING RESOURCE GROUP, INC AEROSPACE RELATED ORDERS. PURCHASE ORDERS AND CONTRACTS, UNLESS OTHERWISE NOTED. SPECIFIC MANUFACTURING RESOURCE GROUP, INC. QUALITY REQUIREMENTS (QR) CLAUSES APPLY WHEN NOTED ON THE P.O.

General Terms and Conditions

ACCEPTANCE of this aerospace related order, or the initiating of any process, or the furnishing of any product, or the acceptance of payment, constitutes unconditional acceptance of this order and applicable Terms and Conditions.

AMMENDMENTS to this order, changes to product or process definition, or supplier logistics, which alters strict compliance with this P.O., or changes and/or exceptions to these Terms and Conditions will be set forth in writing via Purchase Order Change Notices once approved by Manufacturing Resource Group, Inc. after requests of such changes are presented to Manufacturing Resource Group, Inc. in writing, prior to the acceptance of the order.

RIGHT OF ENTRY to all facilities involved in the procurement of this aerospace related order, is reserved by Manufacturing Resource Group, Inc., its customers, and/or all of it's Regulatory Authorities to review documentation and perform inspection on site to ensure compliance with this P.O.

RECORD RETENTION of all documents generated in the procurement of this order shall be kept for a minimum of 10 years minimum.

SCHEDULE for delivery of all goods or completion of services will be the responsibility of the supplier. Manufacturing Resource Group, Inc. may approve revised scheduling, once provided by supplier in writing to Manufacturing Resource Group, Inc., if there is a delay outside the control of the supplier to furnish product or services in accordance with schedule on P.O. However if the supplier does not meet the schedule on the accepted P.O., Manufacturing Resource Group, Inc. reserves the right to terminate the order without liability for such termination.

CANCELLATION shall remain the right of Manufacturing Resource Group Inc. and may be initiated at any time and shall be free of liability to Manufacturing Resource Group, Inc. prior to the receipt of goods or completion of services. Processing and general services may have cost prorated to evaluate liability amount if cancellation occurs after commencement of work in accordance with accepted P.O. This cost will not exceed previously accepted P.O. amount and shall be amended via P.O. change notice prior to final invoicing.

PACKAGING AND PROTECTION of the product shipped shall be completed in accordance with Manufacturing Resource Group, Inc. P.O. or best commercial practice in order to prevent damage or deterioration to the product and will be free of Foreign Object Debris (FOD). The following documentation will be provided at a minimum: Supplier Company name and location, contact information, Shipper number, Date, Manufacturing Resource Group, Inc. P.O. number, Part number, Serial number (if applicable), Part name, quantity, unit of measure, Certifications, compliant Specifications and Revision (if applicable), Test and/or inspection data (if applicable), and test reports (if applicable). A signed and dated statement of quality, from authorized representative, stating that all methods and/or materials used to procurement of order are in accordance with P.O. instructions and that all required inspections and/or tests have been successfully completed.

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NONCONFORMING PRODUCT may be returned to the supplier for rework or credit and will be sole financial responsibility of the supplier. Nonconforming product found to be scrapped out due to Supplier failure to process per Manufacturing Resource Group, Inc. P.O. instructions will be sole financial responsibility of the Supplier and recovery cost thereof may be determined by sum of material, pre-existing manufacturing and processing costs. Nonconformances detected by Supplier will be issued to Manufacturing Resource Group, Inc. along with a Failure Analysis prior to shipment of goods and will include the following at a minimum: Supplier Company name and location, contact information, Shipper number, Date, Manufacturing Resource Group, Inc. P.O. number, Part number, Serial number (if applicable), Part name, quantity, unit of measure, Certifications, applicable Specifications and Revision (if applicable), Test and/or inspection data (if applicable), and test reports (if applicable), Reject document identification number, Description of failed items or components, Cause of the Failure, Corrective action to prevent future failures, and Effectivity of such corrective action. Approval of product and/or shipment must be received from Manufacturing Resource Group, Inc. before shipment in such case.

FLOWDOWN of all requirements listed on the P.O. and on these Terms and Conditions must be further flowed down to all sub-tier suppliers involved in the procurement of the order. Flowdown also includes management of key characteristics listed, if any.

INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR) are in effect for this aerospace related order, as this purchase order and/or appendage thereof contains technical data which is subject to export control laws of the U.S. Government. Transfer of this data by any means to a foreign person, whether in the U.S. or abroad, without approval from the U.S. Department of State or of the U.S. Department of Defense Trade Controls is strictly prohibited.

PERFORMANCE: All orders will be subject to an inspection; supplier on time delivery and quality will be tracked by Manufacturing Resource Group.

COMUNICATIONS: All questions and communications regarding this order, process or product changes, or changes in their external providers shall be directed to the Operations Manager or the President.

PERSONNEL AWARENESS: The supplier shall ensure that their personnel are aware of their contribution to: product or service conformity, Product Safety, and the importance of ethical behavior.

NADCAP – SPECIAL PROCESS: If applicable, the supplier shall be responsible for conformance of their outside manufacturer and/or processors to the applicable NADCAP certifications and specifications. For all Special Processes required by the Purchase Order and performed by Supplier or by Supplier's Sub-tier sources, Supplier shall furnish the certification / test report issued by the party actually performing the process.

AGE SENSITIVE – SHELF LIFE: The Supplier shall identify all Items that have definite characteristics of quality degradation with age and / or environment. Supplier shall not deliver any Items with less than 80% of remaining shelf life. Supplier shall affix a label to each and all individual containers supplied with at least:

- 1) the date useful life was initiated
- 2) the date at which useful life will be expended
- 3) list of any and all required storage conditions to maintain stated useful life
- 4) any lot numbers or manufacturers identification numbers

Supplier shall establish a shelf life and storage control program to ensure that no material that has exceeded its shelf life can be used by Supplier in the assembly of Items for Manufacturing Resource Group.

Manufacturing Resource Group, Inc. is committed to ensuring quality of our electrical, electro-mechanical parts, components, assemblies, and sub-assemblies to all of its aerospace customers. At times when assemblies and or sub-assemblies require the purchase of electronic components, the following counterfeit material risk mitigation will be in effect.

QR1	The supplier shall implement and maintain a Quality Management System compliant with ISO9001; AS9100 or similar system. Any changes to Supplier Quality System Certification will be issued to Manufacturing Resource Group, Inc. immediately upon effect.
QR2	The supplier shall implement and maintain a Calibration System compliant with Calibration Requirements ISO10012: ANSI Z540-1 or ISO 17025 NONCONFORMING CALIBARATION RESULTS of the test equipment will be issued to Manufacturing Resource Group, Inc. as soon as possible after determination.
QR3	The supplier shall control and document dimensional properties of Key Characteristics per inspection plan
QR4	The supplier shall perform and document a complete First Article Inspection report for Aerospace related orders per AS 9102 (using Form 1, Forms 2, Form 3) as well as an Inspection Report for the balance lot using Zero Defect Sampling Plan on 100% of dimensional properties
QR5	The supplier shall perform 100% inspection of noted dimensional characteristics on each piece. Serialization of each piece is to be completed and results submitted via inspection report documentation matching the serial number as requested.
QR6	Manufacturing Resource Group, Inc. and/or regulatory authorities require an Interim or Final Source Inspection at supplier facility at designated inspection point as detailed in the body of the Manufacturing Resource Group P.O. Inspection to be confirmed using an Inspection stamp entry on the supplier router and/or shipper. Please contact Manufacturing Resource Group, Inc. 48 hours prior to schedule Source Inspection activity.
QR7	Material and/or Product acquisitions are pursuant to the Specialty Metal requirements of DFARS 252.225-7014 Alt 1. Supplier shall furnish chemical/physical test reports with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, heat or lot number, and Manufacturer name and location. The general shape, type, temper and condition of purchased material will be supplied unmodified direct from the material manufacturer. Do not heat treat, process or modify manufacturer's material unless expressed in writing by Manufacturing Resource Group, Inc. Violations will be rejected and returned at Supplier's expense. 3
QR8	The Supplier will use only approved sources or concurrent with Aerospace Customer Qualified Products List (QPL) and Qualified Manufacturer List (QML) when applicable and defined by Manufacturing Resource Group. Designated sources must be used, and any deviation thereof will be considered breach of contract and the product nonconforming.
QR9	All components which are Electro-Static Discharge (ESD) and/or electromagnetic forces (EMF) sensitive must be processed, handled, packaged, identified, and shipped in accordance with MIL-STD-1686, "Electrostatic Discharge Control Program" or ANSI/ESD S20.20, "Protection of Electrical and Electronic Parts, Assemblies and Equipment (Excluding Electrically Initiated Explosive Devices) or similar controls." The Supplier shall maintain a documented Electro-Static Discharge (ESD) protection program, including employee training as applicable.
QR10	RoHS COMPLIANCE: The supplier will ensure that the product is in full compliance with the Restriction of Hazardous Substances (RoHS) directive which restricts the use of certain hazardous substances in electronic equipment 2002/95/EC including the use of Lead (Pb), Mercury (Hg) Cadmium (Cd), Hexavalent chromium (Cr6+), Polybrominated biphenyls (PBB), Polybrominated diphenyl ether (PBDE). The Supplier shall include on their COC the certification that the products under this Purchase Order, does NOT exceed maximum permitted concentrations of substances measured in PPM by weight of homogeneous material.