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Bronze Products, Inc.

AEROSPACE SUPPLIER/SUB-CONTRACTOR QUALITY CODES (PURCHASE ORDERS)

QC.4 Rev B

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The following Quality requirements, with their terms and conditions become an integral part of the Purchase Order:

1) FIRST ARTICLE INSPECTION REQUIREMENTS

Scope

The Supplier holding the MBP Purchase Order is responsible for assuring completion of the First Article Inspection Report (FAIR) per AS9102 for all design characteristics generated by the supplier or their sub-tiers.

The FAI requirement applies to each bill of material or parts list item with an aerospace part number that is invoked in the product design, including lower level detailed drawings identified on top level assembly drawing(s), and each cavity or tool serial number for products whose dimensions are controlled by the tool. Approval to operate under this alternate FAIR plan shall only be authorized in writing by MBP Quality management.

The following items are exempt from the requirements of this requirement: **Bars, Tubes and Sheet stock.**

Customer FAIR approval does not relieve the supplier of the responsibility and/or liability for full compliance with all contract requirements.

Periodic/Repeat FAIs

MBP reserves the right to exercise the requirement of additional and/or periodic/repeat FAI requirement on a part number basis to assure continued product conformity. Also, MBP reserves the right to validate multiple production lots if needed to determine overall process capability.

2) CHANGE OF PRODUCT OR PROCESS

The Suppliers/Sub-Contractor is not authorized to implement changes in process, product material(s), without written approval from Morgan Bronze Products, Inc. for:

1. Correction of a discrepancy on a previously submitted part.
2. Product modified by an engineering change to design records, specifications, or materials.



3. Or any planned changes by the supplier to the design, process, or manufacturing location, such as:

- a) Use of other material than was used in previously approved part or product.
- b) Production from new, additional, replacement or modified tools, dies, molds, patterns, etc.
- c) Production following upgrade or rearrangement of existing tooling or equipment.
- d) Production from tooling and equipment transferred to a different plant site or from an additional plant.
- e) Change of sub-tier supplier for parts, nonequivalent materials, or services (e.g. heat treating, plating, etc.)
- f) Product produced after tooling has been inactive for production for 12 months or more.
- g) Change to test/inspection method – new technique (no effect on acceptance criteria).
- h) For bulk materials: new source of raw material from new or existing supplier, or change in product appearance attributes, etc.

To request a permanent engineering change, the supplier shall make the request in writing to Morgan Purchasing.

To request a one-time or temporary deviation, suppliers shall use Morgan's Supplier Deviation Request or other equivalent form acceptable to the Morgan Purchasing.

3) SUPPLIER CORRECTIVE ACTION REQUEST

Supplier Corrective Action Request will be forwarded by Morgan Bronze Products, Inc. to a Supplier when MBP Quality Assurance considers formal corrective action essential. The supplier shall give priority to analysis of cause and proposed corrective action. It is mandatory that replies be received within the period indicated on the Supplier Corrective Action Request. Failure to comply will result in the removal of Supplier from the Approved Supplier's Listing.

4) CERTIFICATE OF CONFORMANCE

The supplier/sub-contractor is responsible for maintaining and supplying accurate and legible certification documentation as objective evidence of meeting drawing, specification, technical data, or purchase order requirements. A Certificate of Conformance MUST be provided with each shipment and must include at a minimum:

- 1) Supplier/Sub-Contractor Name and Address
- 2) Statement that parts conform to the purchase order requirements
- 3) PO and line item number
- 4) Original Manufacturer' name and part number (when the supplier/sub-contractor is not the manufacturer)
- 5) Part and/or Alloy number and applicable specification revision
- 6) Quantity shipped (Listed quantities to be broken out by lot, and also totaled)
- 7) Date and authorized signature of quality representative or company official

Packing Slips and C of C's must be sent electronically prior to delivery, accompany the shipment, or both. Shipments received without the packing slip or C of C are subject to rejection at the dock and at supplier expense. The C of C can be a separate document, or it can be included as part of the shipping declaration/packing slip text.

5) Quality Records

Access to Records

MBP reserves the right to access records at the PO holder, or its sub-tiers involved in the manufacture of aerospace product. The Supplier shall make the records available within 48 hours, or 2 business days, of the request for access. If on-site verification of record conformance is required, the supplier/sub-contractor shall provide the equipment, facilities, and personnel necessary for Morgan to verify compliance.

Records Storage

Records must be stored in an area which meets all local Fire and Life Safety Codes that prevents loss, damage or deterioration. All data stored by electronic means shall be secure with back-up procedures, and audited to verify the integrity of the data.

Disposition of Records

The supplier shall contact the MBP Quality Management for disposition of records upon termination of business activity.

Corrections

Changes or corrections to records, regardless of the media, shall be made as follows: draw a single line through the old data, enter the correct data, date, and apply stamp or initials or signature of individual making the correction. No erasures, covering, or "white-out" allowed.





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Record Retention

All Quality Records, including radiographic film, shall be retained as follows:

Records in Support of	Minimum Retention Period
Radiographic Film, Digitized Film or Digital Radiographs	11 years
Non-traceable, non-serialized parts	11 years
Traceable parts as identified on the drawing or purchase order	Indefinitely
Serialized parts as identified on the drawing or purchase order	Indefinitely
Critical parts as identified on the drawing	Indefinitely
Distributor standard off the shelf product	7 years

MINIMUM retention periods, beginning with the date the order was completed. In the case where a specification, contract or purchase order requires a greater retention period, the more stringent requirement will apply.

A lengthy period of time specified in the law that cannot be determined in advance. **Indefinitely** does not mean that the records must be retained permanently. Records having a retention period of "Indefinitely" should be reviewed periodically to determine if they have surpassed their useful legal and business life. Destruction of records with Indefinite retention period must be authorized by MBP.

Quality records shall be all records as defined within the AS9100 Standard, section 4.2.4.

6) PROHIBITED PRACTICES

The following acts or practices are prohibited:

Unauthorized Repair - Repairs (by welding, brazing, soldering, or the use of adhesives) of parts damaged or found faulty in the fabrication process; repairing holes in castings, forgings or other materials by plugging or bushing without authorization from MBP Quality Management.

Unauthorized Processing - Addition, revision, or deletion of thermal, chemical, or electrochemical processes in manufacturing when processes are subject to specification control by MBP Quality Management.

Improper Material Submittal - Submission of material having known defects/problems to Buyer without notification.

Improper Material Re-submittal - Resubmission of material to Buyer without material being clearly identified as resubmitted material.

Unauthorized Material and Information Transfer – No supplier shall buy, sell, trade, or transfer MBP supplied drawings, data, material, parts, devices, assemblies or end equipment for purposes other than the performance of MBP business, without prior written approval.

Reclaimed Material – No supplier shall use reclaimed material without prior written approval from the Buyer.

7) BUSINESS CONTINUITY MANAGEMENT

The Supplier shall ensure their Company has robust Business Continuity Management (BCM) processes in place that include disaster recovery and preparedness.

Business Continuity Plan

The Supplier shall document a Business Continuity Plan which details what the Company would do in the event that key People, Processes or Technology was to become unavailable. This Business Continuity Plan shall be applicable, including but not limited to, natural disasters, labor disputes, lockouts, evictions, power or systems failures, hazardous spills, fire, floods, explosions, sabotage, riots, war or other civil disturbances, and voluntary or involuntary compliance with any laws, regulations, or requirements of any government authorities.

The Supplier shall document a Business Continuity Plan which details what the Company would do in the event that key People, Processes or Technology was to become unavailable. This Business Continuity Plan shall be applicable, including but not limited to, natural disasters, labor disputes, lockouts, evictions, power or systems failures, hazardous spills, fire, floods, explosions, sabotage, riots, war or other civil disturbances, and voluntary or involuntary compliance with any laws, regulations, or requirements of any government authorities.

General information regarding how to develop a Business Continuity Plan can be found on the internet. Some helpful website links are listed below:





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<http://www.disaster-recovery-guide.com/>
http://www.disasterrecovery.org/disaster_recovery.html

Crisis Management Notification

The Supplier must use best efforts to notify MBP Buyer within 24hrs if they experience an incident.

Sub-Tiers

Supplier must notify MBP Buyer within 24hrs of receiving notification that any of their critical sub-tiers have experienced an incident that may impact their ability to provide materials or components to MBP that are required in the manufacture or assembly of aerospace product.

Disaster Recovery

In the event of a supply interruption, MBP may engage the Supplier to collaborate on recovery. Supplier is expected to fully support any such engagement until the delivery schedule to MBP is recovered.

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8) EMERGING INSPECTION TECHNOLOGY

Any inspection method used to accept MBP product must be proven capable and accurate for the intended purpose. The supplier must maintain formal documentation and/or data as objective evidence to support the capable and accurate determination for that specific application. Suppliers, who propose to use new or emerging technologies for certifying conformance to dimensional or other requirements (white light inspection, laser etc.), shall ensure the proposed measurement process is correlated with results from measurement of the product with standard measuring instruments or Coordinate Measuring Machine. Those methods must also be traceable to NIST and AS9100 calibration standards.

9) REVISION STATUS REQUIREMENTS

The applicable revision status of specifications shall be the revision in effect on the date of the Purchase Order, unless otherwise specified. For Purchase Orders that are open longer than typical manufacturing Lead Times (e.g. Blanket PO's), specification changes that occur after issue of the PO shall be implemented within 60 days. When the revision of a specification is specified on an engineering drawing, the supplier shall comply with the exact specification and revision called out. If there are questions about what specification to use the supplier shall contact the buyer for clarification.

10) SPECIFICATION AVAILABILITY

To obtain copies of other specification documents (e.g. Industry, Military) identified on part drawings. It is the responsibility of the suppliers to obtain the latest revision of these specifications.

11) CONTROL OF SUB-TIER SUPPLIERS

The Supplier/Sub-Contractor is responsible for control/conformance of all items procured from a sub-tier supplier to the applicable requirements of the Purchase Order/Contract, accompanying documentation, drawings and specifications.

12) NONCONFORMING MATERIAL

The supplier/sub-contractor is not authorized to perform material review action of nonconforming materials with the intent of delivering such nonconforming materials without the express written authorization from Morgan Bronze Products, Inc. Quality Assurance Department. Disposition of any departures from drawings, specifications or other purchase order requirements must be approved by Morgan Bronze Products, Inc. Quality Assurance Department prior to shipment, with such approval accompanying that shipment.

SUPPLIER CONTAINMENT

For product quality problems reported by Morgan to the supplier, the supplier shall provide documented evidence with subsequent shipments that such product has been inspected for the identified non-conformances and meets all applicable requirements.

RESUBMIT TO MORGAN BRONZE PRODUCTS REJECTED MATERIAL

All material rejected by MBP and subsequently resubmitted by the supplier to MBP shall bear adequate identification of such resubmission either with the material or on the supplier's document. Reference shall be made to MBP's rejection document and evidence given that the causes for rejection have been corrected.

SUPPLIER REQUEST FOR NONCONFORMANCE DEVIATION

A supplier shall not knowingly ship product that deviates from the drawing, specification limits, or design intent without prior written authorization from the Morgan Quality. If such a condition exists, the supplier may petition the Morgan Quality Manager, in writing, to allow shipment of the product under a written nonconformance deviation. The supplier shall supply that request in writing, or by fax, or electronically transmitted (PDF or Word document).

If requested by the Morgan Quality Manager, the Supplier must send samples of such nonconforming items to Morgan for evaluation. The cost of shipping, inspection, and testing to determine the potential acceptability of such product will be charged to the supplier.



Morgan approval of a deviation is specific to the products for which it has been submitted and approved and shall not be construed as a permanent engineering change. The Supplier must begin work immediately on corrective action. In all cases, the Supplier shall fully contain all product suspected of being nonconforming. In addition, nonconforming product may be returned to the supplier at supplier expense, or the Supplier may be required to sort any suspect product already shipped to Morgan sites or be charged back for the cost of sorting by Morgan. Any parts shipped to Morgan that have been approved on a deviation shall be clearly identified as such externally on the box, container, or other packaging and on shipping documentation. Inside of each box shall contain a copy of the Morgan-approved deviation document.

CONTROL OF REWORKED PRODUCT

Rework is defined as additional operations, which are not part of the basic production process flow, which will bring product in full compliance with applicable drawings and specifications. Instructions for rework, including re-inspection requirements, shall be accessible to and utilized by the suppliers appropriate personnel. All rework shall be documented and approved by MBP Quality Assurance. On the other hand, repair is defined as using alternative manufacturing techniques, methods, materials, or processes which may not bring product into full compliance with applicable drawings and specifications. Repairs are not allowed without written approval from Morgan Bronze Quality, Purchasing and Engineering.

13) QUALITY SYSTEM

Suppliers shall maintain a quality management system suitable to the products and services provided to Morgan that is certified by an accredited* third-party certification body to the latest version of one of the following, as applicable:

- ISO 9001 - Quality Management System Requirements
- AS 9100 - Quality Management System Requirements for Aviation, Space and Defense
- AS 9003 – Inspection and Test Quality System for Aviation, Space and Defense
- AS 9120 – Quality Management System Requirements for Aviation, Space and Defense Distributors
- ISO 17025 - General Requirements for the Competence of Testing and Calibration Laboratories

In the absence of third-party certification, depending on the product, its application, value, and criticality, the Morgan Bronze Purchasing and/or Quality Assurance Manager may authorize the acceptance of other evidence of compliance. This may include second-party (Morgan) audit or first-party (self) assessment to the applicable criteria above.

14) SUPPLIER PERFORMANCE

Categories of Performance

QUALITY:

Raw Material Suppliers & Subcontractors

The Quality Rating is a percentage derived from the total quantity of material/product received rejected divided by the total quantity of material received multiplied by 100.

Minimum Quality Performance Rating = 95%

DELIVERY:

Raw Material Suppliers & Subcontractors

The Delivery Rating is calculated as a percentage, early or late according to the following categories:

- On-Time Delivery = 8 days early up to and including the due date and 6 days later than the due date.
- Early Delivery = Delivered 9 days or more before the due date.
- Late Delivery = Delivered 7 days or more after the due date.

Minimum Delivery Performance = 95%

Overall Performance Requirement = 95%

PERFORMANCE RATING NOTIFICATION

Morgan Bronze Products Purchasing Department will review reports on a periodic basis and will distribute the performance rating report to suppliers on an annual basis unless there is a failure. In this case reports will be disbursed quarterly until rating is satisfactory. The report provides the following information:

- A composite supplier performance rating (all parts combined) for each of the two categories.
- A list of all non-conforming and early/late shipments of lots received at Morgan within the rating period will be included for Raw Materials. A list of all SCAR's and early/late shipments to customers within the rating period will be included for Subcontractors.
- NOTE: A supplier's failure to meet or exceed overall performance ratings of 95% may warrant a Corrective Action Request.



15) PACKAGING/SHIPPING/LABELING

Prohibited Packaging

- Newspaper wadding, loose-fill dunnage, macerated (shredded) paper, peanut foam, eco-foam, shredded materials, discarded paper, and broken or recycled foam-in-place are not acceptable as packing (dunnage) materials in any container.
- Paper wraps, envelopes or bags as exterior packages or any packaging material in the form of egg boxes, egg crate trays or dividers. Padded mailers (jiffy bags and similar) with bubble cushioning or packaging material which contains Penta DBE or Octa DBE.
- Bags made from bubble wrap or grocery paper sacks shall not be used as unit packs.
- Wood containers constructed from OSB wafer board, particle board, very thin plywood or any other manufactured wood product which is fragile and will not tolerate handling, stacking and re-closing throughout the entire transportation system and subsequent supply chain handling and forwarding.
- Used containers unless specifically designed to be reusable and are in adequate shape. Polystyrene die cuts are prohibited except for small, light non-critical items.
- Parts that have contact preservation (oil), or have residual fluids or operating oils, shall not be packed/wrapped in paper bags, bubble wrap, sheet foam, or Kraft paper.
- Skin packs that have film-to-film attachments under the item, making part removal difficult, or subjecting the item to damage during opening. Multi-compartment skins packs or blister packs unless they can be positively re-closed after opening, and provide continued part protection.
- Any type of container closure, or lack of a closure, which will result in safety issues, damaged parts or unserviceable packaging when opened.
- Any packaging material which may cause Foreign Object Damage (FOD) or part contamination, part obstruction or leave non-preservation residue.

Inappropriate Closures

Staples are prohibited as a means of closure for exterior shipping containers. Staples are permitted in non-closure portions of box type containers, such as bottom closure, side stitching, etc. The portion of the container meant to be opened must remain staple-free. Staples and other penetrating forms of unit package closure also are prohibited for use on bags (polyethylene or paper), bubble wrap, sheet foam, Kraft paper or other intermediate or interior containers. These types of unit packages must be heat sealed (if applicable) or sealed by folding, taping, Zip-Lok, or zipper sealing, etc.

International Bug Ban on Containers with Solid Wood

Containers, dunnage, pallets & skids other than those containing non-manufactured coniferous lumber shall be used when possible. If containers with solid wood components must be used, they shall be certified and marked bug free in accordance with ISPM 15 and/or as indicated by <http://www.aphis.usda.gov>

Intermediate Package Marking

Intermediate packages, when used, shall be marked with the Part number, as specified on the PO, PO Number, Quantity and Unit of Measure (each, feet, etc.) and Supplier's Name (bar coding is optional). If product is shelf life sensitive, packaging is to be marked by the supplier with the expiration date.

Hand Tags

When the packaging material prohibits the use of containers that allow the application of self-adhesive labels, a tag shall be securely fastened to the material. The Supplier shall ensure that the location and attachment of the tag, under normal conditions, will not cause damage or premature removal of the tag prior to reaching MBP.

Additional Container Identification

When there are identical part numbers with multiple lot numbers, serial numbers, life tracking numbers and/or multiple orders within the same exterior shipping container, it shall be indicated on the exterior container, such as: multiple lot numbers in this container, multiple serial numbers in this container, multiple life tracking numbers and/or, multiple orders enclosed.

Shipping Documents / Packing Slip

Shipping documents; including the C of C, and/or the packing list, shall be attached to the exterior of container #1 in a weather-proof envelope marked "Packing List Enclosed. The envelope may be placed in a Tyvec envelope and securely attached to the exterior of the #1 container to prevent damage.

Identification and traceability sheets, if provided, shall be placed inside the container or inside Box 1 of a multiple container shipment, at the top of the container (on top of the item shipped).

- **Paperwork** - All shipping paperwork, packing slips, etc. associated with aviation, space or defense materials or products shall be identified with **AEROSPACE**.
- **Bar Stock Identification** – When spray painting the alloy code on the materials, the bars shall also be painted **PURPLE** down the length of the bar and on bar ends as a positive form of identification.
- **Delivery** - The supplier should systematically inform Morgan of any delay in delivering product and provide a new dispatch date. The supplier is responsible for additional transport costs due to delays.

Separation of Multiple Part Numbers, Purchase Orders, Item Numbers and Addresses

Shipping containers that contain multiple part number or purchase order items shall be clearly identified on the outside of the container as containing such. Place a label for each internal container on the exterior of the consolidation container. Orders to separate addresses shall be packaged separately and routed accordingly.

Heat Separation of materials

On orders that have multiple material heats associated, parts must be maintained, and identified through the entirety of the process. Upon shipping, parts are to be separated and identified in a manner that is easily identified and cannot be mixed. Separate packaging and tagging is strongly recommended.

Country of Origin and Marking (includes U.S.A.)

Country of origin marking is mandatory to comply with Customs Regulations or MBP requirements. Packaging of articles must be legibly, conspicuously and permanently marked with the parts' country of origin. For a product to be called Made in USA, or claimed to be of US origin without qualifications or limits on the claim, the product must be "all or virtually all" made in the U.S. The term "United States," as referred to in the Enforcement Policy Statement includes the 50 states, the District of Columbia, the U.S. territories and possessions. "All or virtually all" means that all significant parts and processing that go into the product must be of U.S. origin. That is, the product should contain no - or negligible – foreign content.

U.S. suppliers should contact the Federal Trade Commission, Division of enforcement, since the phrase "made in U.S.A." is under their jurisdiction. Guidance can be found at the following link, <http://www.business.ftc.gov/documents/bus03-complying-made-usa-standard>. For the purpose of this requirement, the designation "U.S.A." is not adequate country of origin marking.

It is the supplier's responsibility to ensure that marking on the product reflects the true country of origin of the product and that no illegal transshipment through a third country has occurred. The supplier must also ascertain that foreign suppliers are familiar with the country of origin rules.

16) GENERAL VISION REQUIREMENTS

Individuals who inspect material for final acceptance must have:

Color Vision Eye Examination every 12 months

Near-Vision Eye Examination every 12 months

The Individual(s) must meet the minimum standards in one eye, corrected with glasses or not corrected:

Color Vision Eye Examination

Examples of acceptable testing methods include: Pseudochromatic plates, Dvorine, Ishihara, Richmond, Farnsworth lantern, Keystone Orthoscope, Titmus vision tester, Titmus II Vision Tester, Titmus 2 Vision Tester. There are standard definitions of what is a pass/fail on these tests that should be followed.

Examples of acceptable testing methods include: Pseudochromatic plates, Dvorine, Ishihara, Richmond, Farnsworth lantern, Keystone Orthoscope, Titmus vision tester, Titmus II Vision Tester, Titmus 2 Vision Tester. There are standard definitions of what is a pass/fail on these tests that should be followed.

Near-Vision Eye Examination Examples of acceptable testing methods include: , 'E' eye examination chart or international equivalent, Snellen 14/18 or better, 20/25 or better, Jaeger type 1, Ortho-Rated 8 or equivalent method.*

A medical professional must perform the eye examinations (eye clinic, occupational health clinic, onsite health clinic or medical department).

NEAR VISION EYE EXAM REQUIREMENTS - NDT

Near-Vision Eye Examination requirements for persons performing Nital / Temper Etch shall be Jaeger type 2 – 20/30 or equivalent. For Inspectors certified to the requirements of NAS410 (NDT) or Mil-STD-867 (Nital / Temper Etch), and for personnel performing visual inspection of welds, suppliers may administer their own eye examinations per the standard.

Record Requirements – EYE EXAMS

The records of the eye examinations shall be maintained by the Supplier.

17) FOREIGN OBJECT DAMAGE CONTROL



The supplier shall ensure that **Foreign Objects** and subsequent **Foreign Object Damage** (FOD) is eliminated from all parts prior to shipment. All suppliers must maintain a FOD free environment during machining, manufacturing, assembly, maintenance, inspection, storage, packaging and shipping.

- Potential FOD includes but is not limited to burrs, chips, dirt, corrosion and contamination resulting from the manufacturing, assembly, maintenance, processing, cleaning, storage and subsequent packaging of parts.

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- Suppliers must ensure all passageways- cast and/or machined are clear of chips, core material, dirt, breakout of cast walls, etc.
- Prior to closing inaccessible or obscured areas and compartments during assembly, supplier shall ensure the areas are free of FOD.
- Suppliers must ensure all parts are clean and FOD free prior to shipment.
- Suppliers are required to maintain a FOD prevention program, which includes prevention and elimination of FOD from the manufacturing processes and work area.

Specific attention should be given, where applicable, to items such as:

- Housekeeping and cleanliness
- Food and beverage control
- Tool and small part accountability
- Loose objects
- Material handling and parts protection
- External cleaning following evidence of external contamination

Supplier shall ensure that the responsibility for the FOD prevention program is clearly defined and appropriate personnel have received FOD awareness training. Suppliers are responsible for flow down of these requirements to their sub-tier suppliers to ensure FOD free products. For additional information regarding FOD prevention, refer to National Aerospace Standard NAS 412, "Foreign Object Damage / Foreign Object Debris (FOD) Prevention". The NAS 412 document may be used as a baseline FOD prevention resource.

18) SUPPLIER COUNTERFEIT MATERIALS/COMPONENTS PREVENTION REQUIREMENTS

MBP requires all suppliers/sub-contractors to be in compliance with **AS6174 Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material** requirements.

- a) Specify the flow down of these requirements to applicable suppliers/contractors and their sub-tier suppliers/contractors who are performing work on behalf of MBP;
- b) Maximize availability of authenticated Material;
- c) Procure Material from authorized sources where available;
- d) Clear risks with MBP when Material are not available from authorized sources;
- e) Assure authenticity and conformance of procured Material;
- f) Control Material identified as suspect or confirmed counterfeit within the MBP supply chain and in the Supplier/Sub-Contractors supply chain;
- g) Report suspect counterfeit and confirmed counterfeit Material, to other potential users and to Government investigative authorities as required by contract or by law;
- h) This requirement is specific to counterfeit prevention and detection, and not fraudulence beyond counterfeiting.

Applicability

- (a) The requirements of **AS6174** apply to all material & component purchase orders issued to MBP suppliers/sub-contractors. Suppliers with design authority are expected to clear their own risk through their own counterfeit prevention control plan.

Periodic audits

- May be performed to assess compliance to Counterfeit Prevention requirements of **AS6174**.
- May assess flowdown requirements for compliance.
- May be conducted by MBP and/or MBP's customers as applicable.

- Material inventory is applicable to this requirement. Pedigree inventory with authorizing documentation is not applicable to this requirement. However Non-Pedigree inventory is applicable.
- Supplier will indemnify, defend, and hold MBP harmless from and against any and all loss or expense incurred by MBP as a result of the delivery by Supplier to or on behalf of MBP of suspect, fraudulent, or counterfeit Material or components.
- This requirement supports SAE Aerospace Standard **AS6174 "Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material"**, with exceptions noted below.
- This requirement takes exception to the following elements from SAE Aerospace Standards:
 - **AS6174 - 3.1.6 Material Control**, and consistent with the standard, MBP considers the appendices as guidance.

Traceability

Where traceability is a requirement on the purchase order, the supplier/sub-contractor shall control and record the unique identification of the product. According to the level of traceability required by the contract, regulatory, or other established requirement, the supplier/sub-contractor's system shall provide for:

- identification to be maintained throughout the product life;
- all products manufactured from the same batch of raw materials or from the same manufacturing batch to be traced, as well as the destination (delivery, scrap) of all products from the same batch;
- for a product, a sequential record of its production (manufacture, assembly, inspection) to be retrieved.

19) NADCAP ACCREDITATION

MBP requires all external suppliers/sub-contractors to obtain NADCAP accreditation for the following Controlled Processes. The supplier/sub-contractor is responsible for the cost of NADCAP accreditation.

- Non Destructive Testing
- Chemical Processing - Coatings
- Heat Treatment (including Brazing)
- Materials Testing

20) Compliance with Regulatory Requirements

a) Supplier will adhere to the directions provided in EXECUTIVE ORDER (EO) 13224, executive order on terrorist financing – blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism, effective 09/24/2001 and any subsequent changes made to it. Supplier further agrees to include this requirement in lower-tier purchase orders or subcontracts hereunder. To view the contents of the EO, please access the following website:
<http://www.treas.gov/offices/enforcement/ofac/legal/eo/13224.pdf>.

b) **DPAS** rated order quantities (DX or DO) are certified for national defense use and U.S. companies are required to follow all of the provisions of the **DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM REGULATION (15 CFR 700)**, only as it pertains to rated quantities.

c) To ensure compliance with U.S. export laws, Morgan Bronze Products, Inc. does not conduct any business transactions with persons or companies on the Denied Persons List published by the U.S. Department of Commerce, the Debarred Parties List published by the Department of State, and the Specially Designated Nationals published by the Department of Treasury, Foreign Assets Control. Morgan Bronze Products, Inc. expects all suppliers and it's sub-contractors to comply with these laws as well.

d) Use of "**Conflict Minerals**" from the Democratic Republic of the Congo and surrounding countries. Raw Materials Suppliers are expected to review and comply with the full details of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act at: <http://www.sec.gov/rules/final/2012/34-67716.pdf>. When requested by MBP Purchasing and/or Quality suppliers must complete the updated revision (3.01) of the Conflict Minerals Reporting Template. All suppliers must complete and submit the current revision (3.01) of the template even if you previously submitted the Revision 1.0. This template can be found along with training material at <http://www.conflictreesourcing.org>. Complete mine and smelter location address must be submitted for any smelter that is not included in the dropdown menus in the Template.

e) To ensure compliance with **REACH/RoHs**, Suppliers are expected to be aware of the current candidate list for "Substances of Very High Concern" (SVHC) located at <http://echa.europa.eu/web/guest/candidate-list-table> and assess whether the products or services provided contain chemicals classified as "Substances of Very High Concern" (SVHC) in a concentration of more the 0.1% by weight. If this is the case, this information must be communicated to Morgan Bronze.

Restrictions for Use of Mercury and/or Mercury Containing Components

Products shall contain no metallic mercury and must be free from contamination by mercury. The Supplier shall not use mercury, mercury components or mercury bearing instruments or equipment that cause the contamination during the manufacture, service, assembly, or test of materials.

Statement that Order is Free of Mercury





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The Supplier shall send a signed statement with the shipment that tells that the items are free of mercury and free from mercury contamination, the statement must include:

- The Contract Number
- The National Stock Number (NSN), as applicable
- The Manufacturer's Code (CAGE) and Part Number or the Specification or Drawing Number
- The date of shipment and the quantity shipped

This paragraph must be notated as below, or words that convey the same meaning:

"The undersigned certifies that the items shipped conform to the requirements of the Purchase Order. The items are free from mercury contamination. Mercury-bearing instruments and equipment which can cause mercury contamination were not used in the manufacture, service, assembly, or testing of the items supplied."

The statement must contain the signature of a corporate or company officer.

Inclusion of Mercury

If the inclusion of metallic mercury is required as a functional part of the items supplied, the supplier shall get written approval from Honeywell prior to delivery and shall supply a "Warning Plate" to show that metallic mercury is a functional part of the item. The label must identify the name and the location of the part or component.

International Bug Ban on Containers with Solid Wood

- a) Containers, dunnage, pallets & skids other than those containing non-manufactured coniferous lumber shall be used when possible. If containers with solid wood components must be used, they shall be certified and marked bug free in accordance with ISPM 15 and/or as indicated by <http://www.aphis.usda.gov/ppg/swp/import.html>.

Control and Release of Morgan Furnished Documents

- b) Documents furnished by Morgan to the Supplier are furnished solely for the purpose of doing business with Morgan. Proprietary documents may be furnished to the Supplier in hard copy, electronic or other media. The Supplier is responsible for controlling and maintaining such documents to preclude improper use, loss, damage, alteration and/or deterioration.
- c) Unless authorized by the Morgan Purchasing Manager in writing, the Supplier may not transmit or furnish any Morgan furnished documents, or copies of such documents, to anyone outside the Supplier's business organization except to a sub-tier source used by the Supplier for performance of work on the Morgan contract. The Supplier shall return to Morgan, or purge electronic copies of, all proprietary documents with the last delivery of products or services on the contract. Morgan may request the Supplier to furnish objective evidence or certification that proprietary documents have been purged. The Supplier shall flow down this requirement to all sub-tier sources, when such sources will be in receipt of Morgan proprietary documents during performance of work for the Supplier.

21) Cost Recovery

The supplier is responsible for cost that MBP incurred as a result of supplier responsible nonconformance.

22) Commercial Items Used in Government Contracts

a) Suppliers/Sub-contractors shall determine if the work they are doing meets the definition of FAR 2.101, "Commercial Items". As used herein, "FAR" shall mean the Federal Acquisition Regulation, "DFARS" shall mean the Department of Defense Supplement to the Federal Acquisition Regulation. Supplier must also insert these clauses in all lower-tier subcontracts as required by the clause. These Government FAR and DFAR contract clauses incorporated by reference are those in effect on the date of the latest Government prime contract under which this order is issued; however, if Buyer does not enter into a contract with its customer of this order, such clauses are those in effect on the date of this order and Seller agrees to comply with any Government contract clauses cited that are set forth in Buyer's contract with its customer.

Title	Reference	Applicability
Contractor Code of Business Ethics and Conduct (Dec 2008)**	52.203-13	Applies to All contracts greater than \$5 Million dollars (base + options) and a period of performance of more than 120 days.
Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009**	52.203-15	All, if the subcontract is funded under the Recovery Act.
Certification Regarding Responsibility Matters (Dec 2008)**	52.209-5	If the value of this contract [M]equals or exceeds \$30,000, Seller shall submit the certifications at 52.209-5, except for subparagraphs (a) (1) (B) and (C).
Protecting the Governments Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (Sep 2006)**	52.209-6	If the value of the contract equals or exceeds \$30,000.
Defense Priority and Allocation Requirements (Apr 2008)*	52.211-15	If the face of this Order indicates that it is a DPAS Rated Contract.*





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Utilization of Small Business Concerns (May 2004)	52.219-8	As prescribed by the clause at FAR 19.708(a), Contract Clauses.*
Small Business Subcontracting Plan (Apr 2008)**	52.219-9	If value of this contract equals or exceeds \$550,000 and is placed with a Large Business as defined in FAR Part 19.
Prohibition of Segregated Facilities (Feb 1999)**	52.222-21	If the value of this contract equals or exceeds \$10,000.
Equal Opportunity (Mar 2007)	52.222-26	Applies to all contracts \$10,000 or more.*
Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)*	52.222-35	If value of this contract equals or exceeds \$100,000.*
Affirmative Action for Workers with Disabilities (June 1998)	52.222-36	If the value of this contract equals or exceeds \$10,000.
Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004)	52.222-39	If the value of this contract equals or exceeds \$100,000.
Service Contract Act of 1965 (Nov 2007)**	52.222-41	Applies to service contracts only.
Combating Trafficking in Persons (Feb 2009)**	52.222-50	All
Employment Eligibility Verification (Jan 2009)**	52.222-54	Applies to All contracts meeting the following criteria: (1) Commercial or non-commercial services (except for commercial services that are part of the purchase of COTS item (or an item that would be a COTS item but for a minor modification), performed by the COTS provider, and are normally provided for the COTS item), or Construction; (2) Has a contract value of \$3,000.00 or greater; (3) Includes work performed in the United States.[M]
Buy American Act - Supplies (Feb 2009)**	52.225-1	Seller represents that, to the extent products supplied hereunder will constitute an end product or component, as such terms are defined pursuant to 52.225-1 such products will be manufactured in the U.S. unless otherwise agreed to in writing by Buyer.
Duty Free Entry (Feb 2000)**	52.225-8	As applicable, including commercial items.
Subcontracts for Commercial Items (Aug 2009)**	52.244-6	All
Government Property (Jan 2007)**	52.245-1	If the Government property exceeds the simplified acquisition threshold, as defined in FAR 2.101, or where the Contractor is directed to acquire property for use under the contract that is titled in the Government.
Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) & Alternate 1 (Apr 2003)*	52.247-64 & ALTERNATE 1*	All
Small Business Subcontracting Plan (DoD contracts) (Apr 2007)**	252.219-7003	If the value of the contract equals or exceeds \$550,000 and is placed with a Large Business as defined in FAR Part 19.
Buyer American Act and Balance of Payments Program (Jan 2009)**	252.225-7001	Seller represents that, to the extent products supplied hereunder will constitute an end product or component, as such terms are defined pursuant to 252.225-7001 such products will be manufactured in the U.S. unless otherwise agreed to in writing by Buyer.
Restriction on Acquisition of Specialty Metals (Jul 2009)**	252.225-7008	For all prime contracts issued on July 29, 2009 or later.
Restriction on Acquisition of Certain Articles Containing Specialty metals (Jul 2009)**	252.225-7009	For all prime contracts issued on July 29, 2009 or later.
Commercial Derivative Military Article - Specialty Metals Compliance Certificate (Jul 2009)**	252.225-7010	For all prime contracts issued on July 29, 2009 or later.
Preference for Domestic Specialty Metals (Jun 2005) (DEVIATION)*	252.225-7014 & ALTERNATE I	For all prime contracts issued prior to July 29, 2009. See http://www.dcmi.mil/dnad/ for current status of DNADs and waivers.*
Exclusionary Policies and Practices of Foreign Governments (Apr 2003)**	252.225-7028	If the contract involves supplies and services for international military education training and Foreign Military Sales (FMS).
Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (Sept 2004)**	252.226-7001	All over \$500,000 including Commercial Items as applicable.
Technical Data-Commercial Items (Nov 1995)**	252.227-7015	If this contract includes delivery of technical data for a commercial item, component, or process.
Transportation of Supplies by Sea (May 2002)**	252.247-7023	If value of this contract equals or exceeds \$100,000.
Notification of Transportation of Supplies by Sea (Mar 2000)**	252-247-7024	If value of this contract equals or exceeds \$100,000.





23) Audit Rights Reserved / Right of Entry

Morgan Bronze Products, Inc., MBP Customer's and Regulatory Authorities reserve the right to perform audits and/or inspections at the supplier's/sub-contractor's facility on the manufactured or repaired parts. Supplier/Sub-contractor material, records, process and routing sheets, manufacturing, and test and inspection facilities are subject to review by Morgan Bronze Products, its customers (Commercial and Regulatory Authorities). If on-site verification of Contract / Purchase Order conformance is required, the supplier/sub-contractor shall provide the equipment, facilities, and personnel necessary for Morgan Bronze and/or its customer's representatives to verify compliance.

AS9100 Aerospace Ethics Policy

Global Principles of Business Ethics for the Aerospace and Defense Industry

Ethical Business Conduct for The Aerospace and Defense Industry - Ethical Business Conduct It is recognized that operating to the highest ethical standards benefits all companies and society. We in the aerospace and defense industry fully acknowledge and support this principle. The *Aerospace Industries Association of America (AIA)* and *Aerospace and Defense Industries Association of Europe (ASD)* have jointly developed these Global Principles of Business Ethics for the Aerospace and Defense Industry ("Global Principles").

These Global Principles are based on best practices including the Common Industry Standards for European Aerospace and Defense and the Defense Industry Initiative on Ethics and Business Conduct in the US. The aerospace and defense industry's long term success depends on companies upholding integrity in bidding, negotiating and performing contracts. Companies shall behave ethically towards their customers, suppliers, competitors, employees, and other stakeholders. These Global Principles highlight key issues in the aerospace and defense industry that may impact on ethical business conduct. They are not an exclusive list of business ethics issues that a company may face and which companies themselves should give their staff guidance on. It is intended that the Global Principles will continue to develop over time to reflect current best practices.

IMPLEMENTATION

Companies that endorse these Global Principles commit to have comprehensive policies and integrity programs, and to foster effective practices within their aerospace and defense business operations to implement these Global Principles which shall include: promoting awareness and compliance with the integrity policies of the Company consistent with the Global Principles through appropriate communication and training. encouraging their employees, directors and officers to report all specific concerns that they may have concerning compliance with the integrity policies of the Company consistent with the Global Principles without fear of retaliation. applying appropriate, proportionate and dissuasive sanctions for evidenced cases of non-compliance.

ZERO TOLERANCE TO CORRUPTION

- Companies will comply fully with all anti-bribery laws applicable to the conduct of their business, such as the U.S. Foreign Corrupt Practices Act ("FCPA") and those laws enacted pursuant to International Conventions (including, but not limited to, the 1997 OECD Convention and the 2003 United Nations Convention Against Corruption ("UNCAC")).
- Companies will not offer, promise, or provide any undue pecuniary or other advantage (e.g. payments, gifts, hospitality, as well as political contributions or charitable donations), to public officials, political parties or political candidates, or to any private party, in order to obtain or retain business or gain any other improper advantage in the conduct of their business.
- Companies shall duly account for payments, gifts, hospitality, political contributions or charitable donations in their books and records in compliance with applicable regulations and in a manner which permits reasonable traceability.
- Companies will establish and enforce policies and internal control procedures that prohibit the company and their employees, directors and officers from offering, promising or providing – directly or indirectly – any Improper Advantage, and will conduct training on such policies and procedures.
- Companies will make their business partners, which term is defined to mean Advisors, majority-owned joint venture entities, subcontractors and suppliers, aware of the integrity policies of the company, and require them to refrain from offering, promising or providing (directly or indirectly) any Improper Advantage.
- Many countries and companies prohibit facilitation payments. In recognition that such payments undermine the integrity of industry, even where such payments are not prohibited by law, companies will seek to eliminate facilitation payments.



USE OF ADVISORS

- Advisors include agents, consultants, or intermediaries engaged to assist in developing, expanding or maintaining a Company's business (e.g. sales, marketing, offsets).
- Companies will have written policies governing the appointment, management and payment of Advisors.
- Companies will use capable personnel trained in anti-corruption and compliance issues for the vetting of Advisors.
- Companies will perform appropriate due diligence using mechanisms which may include independent supplemental investigation/ third party due diligence. Such assessments shall be periodically reviewed.
- Companies will pay an appropriate remuneration to their Advisors. Remuneration shall reflect legitimate services effectively rendered and shall be based on the most objective elements possible. No payments shall be made in cash.
- Payments shall only be for Ethical Business Conduct for The Aerospace and Defense Industry –made, save in exceptional circumstances, in the country where the Advisor is active or registered. These payments shall be properly recorded in the Company's books and records.

Companies shall make Advisors aware of:

(i) the integrity policies of the Company which shall be consistent with the Global Principles, and (ii) the legal provisions containing the incrimination of bribery of foreign public officials pursuant to the U.S. FCPA, the 1997 OECD Convention, and the UNCAC, as each applies.

Companies shall have an agreement concluded in a written form between the Company and all of its Advisors, which shall contain a provision whereby the latter commits to comply at all times with the provisions mentioned above and more specifically that no part of any payment originating from the Company will be passed on as a bribe. Companies should require that Advisors will inform the Company regularly and on an ongoing basis on the accomplishment of his, her, or its tasks and duties.

RESPECT FOR PROPRIETARY INFORMATION

Companies shall keep proprietary information of third parties to which they have gained access in accordance with the terms of its disclosure and in strict compliance with all applicable laws and regulations. Companies will not solicit or accept a third party's proprietary information (whether provided by a customer or otherwise), such as bid and proposal information, or technical or price data, unless the owner of the data has agreed to its release.

Companies who receive a third party's proprietary information without authorization:

1. shall promptly cease dissemination and review of such information;
2. shall promptly destroy or return such information; and
3. should inform the third party of the incident and their response.

MANAGING CONFLICTS OF INTEREST

- Companies shall follow all applicable laws, regulations and directives concerning the employment or engagement of public officials including those dealing with conflicts of interest.
- Companies will maintain policies to address or mitigate the risk of undue or improper conflicts of interest.

