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Supplier/Subcontractor Requirements Instruction

I 7.4-1-1

Supplier/Subcontractor Requirements Instruction

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I 7.4-1-1

Rev. J

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1. Introduction

1.1 Purpose

The purpose of this procedure is to provide for and establish Purchasing, Shipping, and Quality Requirements for Purchase Orders issued to all suppliers/subcontractors. Suppliers/ subcontractors shall comply with all purchase order requirements and flow down all applicable requirements to their sub-tier suppliers/subcontractors.

ORION strives to consistently produce the highest quality products and service possible with efficient on time deliveries for our customers.

In order to maintain a mutually beneficial relationship, we ask our suppliers and subcontractors to partner with us toward this goal.

ORION requires our suppliers and subcontractors to be familiar with and understand any requirements relevant to their work.

1.2 Scope

This Supplier/Subcontractor Requirements Instruction applies to ORION suppliers/subcontractors listed on ORION's Supplier/Subcontractor List, F P 7.4-1-6, unless otherwise specified by contract.

2. References

2.1 Normative References

This document was developed for:

AS9100/ISO 9001 (Clause 7.4)
Quality Policy Manual (Clause 7.4)
P 7.4-1 Purchasing Procedure

2.2 Associated References

Additional documents associated with this procedure are:

P 8.2.4-1 Inspection & Verification Procedure
P 8.3-1 Control of Nonconforming Material Procedure
P 8.5-2 Corrective and Preventive Action Procedure
P 8.2.2-1 Quality Systems Audit Procedure

2.3 Supporting Documents

Documents developed to support this procedure are:

Form# F P 8.2.2-1-6 Subcontractor Desk Audit Form

3. Definitions

For the purpose of this procedure, the definitions found in ANSI/ISO/ASQC Q9000-2000, the documents referenced in clause 2 and the following apply.

Purchase Order (PO): A legal binding contract used to request a supplier or subcontractor to supply a product or service in return for payment.

Supplier: An organization that provides products or materials. A supplier may be considered a Distributor, Parts House or Manufacturer of an item (OEM).

Subcontractor: An organization providing manufacturing, fabrication, or processing of services used on product for ORION customers. A subcontractor would provide capabilities or services not currently available at ORION.

4. Requirements

4.1 Business System Requirements

The ultimate objective of this manual is to aid in developing strategic partnerships with key suppliers by creating a cost efficient procurement process, through the elimination of redundant handling and inspection activities. ORION recognizes that each business relationship, to be worthwhile, must be mutually beneficial. We assure that you will be paid promptly and accurately. In order to accomplish this, we ask that these requirements be understood throughout your organization and flowed down to sub-tier suppliers. Your continued support as ORION's approved supplier/subcontractor is appreciated and essential for our mutual success.

The following requirements apply to all supplier, subcontractors, sub-tier suppliers and PO's

Any work performed (either services or products) by your company for ORION must be covered by a PO issued by ORION's Purchasing Agent listed on the PO.

ORION requires all PO's be acknowledged, as evidence by an e-mail or a signature of an authorized agent, returned to ORION's Purchasing Agent listed on the PO.

PO's are offered according to the terms and conditions therein. Any additional terms and conditions submitted with your sales acknowledgement are considered by ORION to be deviation from the original contract, to which we hereby object unless otherwise approved in writing.

4.2 Shipping & Handling Requirements

4.2.1 Packaging Requirements

All packaging must be of sufficient strength and design to protect parts and materials from damage or deterioration all throughout the handling and transportation process. Packaging must comply with all government and regulatory requirements where applicable.

No more than one part number can be placed in any one box or bag except for over-boxing to minimize handling or to prevent small packages from being lost. Each package in an over-sized box must not contain more than one part number.

Appearance parts must be individually sleeved or protected.

Materials shall be packaged with no more than 75 lbs. per shipping carton to aid in handling and storage unless the material size is prohibitive.

When specified, each shipment must contain the following information on each box in readable English format:

ORION PO NUMBER
PART NUMBER
QUANTITY IN THAT BOX & NUMBER OF BOXES IN SHIPMENT (i.e. 1 of 4, 2 of 4)

A copy of all required documents for that shipment must be shipped with box 1 of a shipment.

4.2.2 Delivery Requirements

All orders must be shipped to arrive, on dock, on the date specified in the PO.

Items received after the date specified on the PO will be considered late unless agreed upon in writing via fax, email or PO change, and will be reflected in ORION's Supplier Performance System.

If specified by ORION's Purchasing Agent, Supplier(s)/Subcontractor's must use the carrier specified. Deviation from this requirement will result in all charges for such deviation being billed back to the Suppliers/Subcontractors expense.

4.3 Quality Requirements

4.3.1 General Quality Requirements

General requirements are in addition to those set forth in any other contracted document. Compliance with these requirements does not reduce the supplier's/subcontractor's responsibility for furnishing materials and /or services, which fully comply with all applicable drawing and specification requirements, nor does it guarantee acceptance of materials or services by ORION. In the event that materials or services are found to be nonconforming and cannot be demonstrated by the Supplier/Subcontractor to be in conformance with the PO requirements, ORION has the right to reject them at the suppliers/subcontractors expense.

Suppliers and Subcontractors shall be responsible for maintaining an acceptable quality and on-time delivery rating (99.80% or above) as specified by ORION.

Supplier/Subcontractor Requirements Instruction

The supplier/subcontractor shall log onto <http://www.OrionQuality.com/quality-assurance> and access the Supplier/Subcontractor Requirements Instruction quarterly by the following dates: 01/15, 04/15, 07/15, 10/15 to assure compliance to any revision changes.

Quality System

Suppliers/Subcontractors shall remain compliant to and maintain active applicable AS9100/ISO9001/NADCAP certifications. Objective evidence of certification is required.

(Note: AS9120 is acceptable for distributors; ISO 17025 is acceptable for material test and calibration laboratories).

Suppliers/Subcontractors that do not maintain an active certification to AS9100/ISO9001/NADCAP shall be assessed and approved through the completion of a "Desk Audit" or an on-site audit and must maintain documented procedures, available in the English language, which address the following:

- a) Identification and Traceability
- b) Control of Nonconforming Material
- c) Control of Customer Property
- d) Process Control
- e) Measurement and Monitoring of Product
- f) Training
- g) Preservation of Product
- h) Control of Quality Records
- i) Internal Audit
- j) Contract / Purchase Order Review

Certificate of Conformance

The supplier/subcontractor shall supply with each shipment a legible and reproducible copy of the Certificate(s) of Conformance certifying the conformance of the product(s) or service(s) applicable to the Purchase Order. The COC must include a statement that the product conforms to all engineering and purchase order requirements and state all applicable processes and material specifications with revision levels. The COC shall reference the Orion purchase order number. When a work order number is available, the COC will also reference the applicable work order number.

Supply Chain Traceability

Parts or materials shall have verification that they are traceable to OCM/OEM; OCM/OEM authorized distributor, or authorized reseller that identifies the name and location of all the supply chain intermediaries from the part manufacturer to the direct source of the product. Supply chain traceability is defined as name and location of all supply chain intermediaries for all procurement lots, and date of all intermediate purchases from the part manufacturer to the direct source of the parts or materials for the supplier. Supply chain traceability is required for all parts or materials unless identified otherwise on the purchase order.

Manufacturer Certificate of Conformance

Manufacturer CoCs shall, at minimum, include the following:

- a) Manufacturer name and address;
- b) Manufacturer's part number;
- c) Batch identification for the item(s) such as date codes, lot codes, serializations, or other batch identifications;
- d) Signature or stamp with title of seller's authorized personnel signing the certificate;
- e) Certification to testing specification and revision level that parts are certified to.

Control of Changes

Supplier/Subcontractor must notify and obtain written approval from ORION's purchasing agent prior to making any change in Product, Material, design details and or process definition. The Supplier/Subcontractor must identify on the Statement of Conformance and packing sheet, the built revision level and lot or batch identification of the end item product when delivered.

Supplier/Subcontractor must notify and obtain written approval from ORION's purchasing agent prior to making any change of suppliers.

Supplier/Subcontractor must notify ORION of any changes of manufacturing facility location.

Corrective Action

When requested by ORION, the Supplier/Subcontractor shall provide a statement of corrective action on a failure of suppliers/subcontractor's performance, product or quality system. This statement shall be delivered in a format designated by ORION. Documentation for rejected articles resubmitted for approval shall reference the ORION rejection document.

Product Identification

Parts, assemblies and components shall be identified as specified in the drawing. When identification is not specified on the drawing, the product shall be identified with the part number and the "as built to" drawing revision level. When items are too small to easily identify, they may be bagged and tagged.

Raw materials procured to federal, military, aerospace or other specification shall be identified per the requirement of that specification.

Configuration Management

Supplier/Subcontractor shall produce all parts, assemblies, or other materials in accordance with the requirements of the PO, specification, customer requirements, and ORION Supplier/Subcontractor requirements. All drawing and specifications provided to the Supplier/Subcontractor by ORION are considered controlled and proprietary. Supplier/Subcontractor assumes responsibility for these documents and shall comply with ORION's document control requirements for maintenance, recall or destruction of documents.

Report of Discrepancy

Any variation from drawing, specification or other PO requirements must be documented by the Supplier/Subcontractor and submitted to ORION for consideration and disposition prior to shipping product to ORION. A copy of the disposition must accompany each affected shipment.

Notification of nonconforming product

If the supplier/subcontractor becomes aware of a nonconformity that may affect delivered products, the supplier/subcontractor shall notify ORION within 24 hours.

The supplier/subcontractor shall report to ORION the details regarding delivered items that may affect or potentially affect reliability or safety. Notification shall include a clear and concise description of the nonconformance, which includes as necessary, the parts affected, customer/supplier part numbers, serial numbers, lot numbers, quantity and date of delivery. The supplier/subcontractor shall obtain approval for nonconforming product disposition.

Right of Entry

ORION, our customer's and regulatory authorities shall have the right of access to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records

The supplier/subcontractor shall flow down to the supply chain the applicable requirements in the purchasing documents, including customer requirements and key characteristics where required

Static Sensitive Materials

The following requirements apply to materials, devices or assemblies capable of being degraded, damaged or destroyed by static electrical charges or discharges. All times shall be preserved and packaged in such a manner as to preclude their exposure to the generation of discharge of the static electrical potential. Packaging shall be clearly marked to indicate the contents are subject to damage or degradation by static electricity.

Shelf Life and Temperature Sensitive Materials

Supplier/Subcontractor shall identify all materials, which have definite characteristics of quality degradation with age or environment. The Supplier/Subcontractor shall provide this information with, and directly on the material container or article. This identification shall indicate the use date was initiated and the date at which the useful life will be expended.

When environment is a factor in determining useful life, the identification shall include the storage conditions required to achieve the stated life. A minimum of 75% of the applicable material shelf life shall remain upon receipt of the material by ORION, or the material is subject to rejection unless prior written approval from Orion's Buyer(s) is obtained. A copy of the approval shall be included in the shipping box with the material.

Safety Data Sheets (SDS)

All Hazardous Materials noted on this PO must be supplied in accordance with the latest revision of OSHA hazard communication standard 29 CFR 1910-1200, OSHA instruction CPL 2-2.38, and WISHA standard 296-62-05413 (Safety Data Sheets). Received material not in compliance with the above requirements are subject to immediate rejection and return at Supplier's/Subcontractor's expense.

In addition, if Supplier/Subcontractor is aware of any additional precautions or handling techniques instituted with regard to other customers, you are requested to submit those safeguards with the SDS.

Supplier/Subcontractor shall send to ORION a Toxic Substance Control Act (TSCA) certification letter for products purchased on this PO including a statement that all chemical components are listed by the Toxic Substances Action Inventory (PL 94-94-969).

Traceability

Supplier/Subcontractor must maintain lot and batch control over the raw materials of purchased items. Supplier/Subcontractor must provide positive traceability of manufactured parts of assemblies to raw materials through the use of lot/batch or serial numbers.

Fastener Quality Act

All non "aerospace standard fasteners" manufactured or used on an assembly or detail must comply with the Fastener Quality Act. Specified compliance to this act must be clearly shown on the COC.

Counterfeit Parts

Supplier/Subcontractor shall put into place a documented procedure to plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in the parts, materials or product(s) delivered.

Counterfeit part prevention should consider:

- a) Training of appropriate persons in the awareness and prevention of counterfeit parts;
- b) Application of a parts obsolescence monitoring program
- c) Controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources;
- d) Requirements for assuring traceability of parts and components to their original or authorized manufacturers;
- e) Verification and test methodologies to detect counterfeit parts;
- f) Monitoring of counterfeit parts reporting from external sources;
- g) Quarantine and reporting of suspect or detected counterfeit parts.

Foreign Object Debris/Damage Control Program (FOD)

The supplier/subcontractor shall establish, document and maintain a program to control and eliminate FOD and/or contamination during the supplier's manufacturing, assembly, test, inspection, packaging and shipping operations. When applicable, the supplier's FOD control program shall include controls to preclude FOD or contamination at the supplier's sub-tier sources.

Awareness

The Supplier/Subcontractor shall ensure that persons doing work under their control are aware of:

- a) Their contribution to product or service conformity;
- b) Their contribution to product safety
- c) The importance of ethical behavior

The following requirements apply to all subcontractors**Inspection Systems**

The subcontractor shall establish and maintain an inspection system in compliance with 14 CFR Part 21, ISO 9001, AS9100 or as otherwise approved by ORION's QMS Coordinator/designee.

Subcontractors

Subcontractor(s), No goods to be produced or delivered under this order shall be procured or services to be subcontracted out by seller from a third party in completed or substantially completed form without ORION and/or its customer's written consent. When seller is approved to use sub-tier suppliers, all applicable requirements shall be flowed down under this order.

Disclosure

No new release, advertisement, or other disclosure relating to this order shall be made without ORION and/or its customer's prior written consent. Further subcontractor shall keep confidential all designs, processes, drawings, specification, reports, data, and other technical or proprietary information and the features of all parts, equipment, tools, gauges, patterns, and other items, furnished or disclosed to subcontractor by ORION in connection with this contract, unless otherwise provided herein or authorized by ORION in writing, subcontractor shall use information and items and the features thereof, only in the performance of this contract. Upon completion or termination of this order, subcontractor shall return all such information and items to ORION or make such other disposition thereof as may be directed or approved by ORION.

Responsibility of Property

Unless otherwise specified, upon delivery to ORION by subcontractor of any materials, parts, tooling, data or other property provided by ORION for fulfillment of this order, subcontractor assumes the risk of and shall be responsible for any loss thereof or damage thereof.

In accordance with the provisions of this order, but in any event upon completion thereof, subcontractor shall return such property to ORION in the condition in which it was received expect for reasonable wear and tear and except for such property as has been reasonably consumed in the performance of this order.

First Article Inspection (FAI)

The Subcontractor shall perform a first article inspection in accordance with AS9102 on the initial part or lot at the detail, sub-assembly or assembly level. The results of the FAI shall include 100% conformance to the drawing characteristics, special processes, functional tests and laboratory requirements. A copy of the supplier's/subcontractor's FAI report shall be sent with each initial shipment of a part number configuration (additional charges must be authorized prior to shipment). A Full or Partial FAI shall be completed for affected characteristics when the following occurs:

- 1) A change in the design characteristics affecting form, fit or function of the part.

- 2) A change in manufacturing source(s), processes, Inspection method(s), location of manufacture, tooling or materials that can affect fit, form or function.
- 3) A change in numerical control program or translation to another media that can potentially affect fit, form or function.
- 4) An implementation of corrective action required to complete a previous FAI or as required by customer(s), as described in clause 4.2.4
- 5) A natural or man-made event, which may adversely affect the manufacturing process.
- 6) A lapse in production for two years shall require a Full FAI. This lapse is from the completion of the last production operation to the actual restart of production.

4.3.2 Specific Quality Requirements

In addition to quality requirements mentioned in section 4.3.1, the Supplier/Subcontractor shall be responsible for any specific quality requirements noted on the PO.

QR1 Approved Process Requirements

Special processes required by the process specification must be performed by sources approved by the customer (process document owner). The Supplier/Subcontractor is responsible for assuring that the processing source has in their possession a current customer approval of their processing capability for the process to be performed, prior to performing the process.

QR2 Material Certification ASL/QPL Sources

Material on this PO shall be procured from customer-approved sources as indicated on the applicable customer Supplier/Subcontractor Listing or Qualified Product List.

QR3 Material Certifications

As appropriate, the supplier/subcontractor shall supply with each shipment a legible and reproducible copy of Material Certification(s). The certificate shall assure that the material conforms to the full product description requested and/or shipped per the Purchase Order.

The materials certified should list the following, but not limited to:

- a. Description of material or part (e.g., specification number, revision, type, class, condition, size).
- b. Material identification (e.g., heat number, lot number, heat treatment lot number, type of material, serial number).
- c. Tests to be performed.
- d. Inspection/test acceptance criteria referred by the specifications or other contract documents such as:
 - Mechanical properties, (i.e., tensile strength, elongation, hardness, etc.)
 - Chemical analysis
 - Heat treatment
 - Grain size
 - Macroscopic examination
 - Nondestructive tests
 - Corrosion resistance
 - Visual and dimensional
 - Mechanical tests
 - Surface Treatments (i.e., plating, coating, passivation, anodizing, etc.)

QR4 NADCAP Approval

Certifications must include evidence of NADCAP approval for heat-treating.
 Finish house only: Certifications must include evidence of NADCAP approval for chemical processing.

4.3.3 Boeing Flow Down Requirements

In addition to quality requirements mentioned in section 4.3.1 and 4.3.2, the Supplier/Subcontractor shall be responsible for all the requirements listed below when noted on the PO (line comments) as "4.3.3".

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The Supplier/Subcontractor shall comply with United States export control and sanctions laws, regulations, and orders, as they may be amended from time to time, applicable to the export and re-export of goods, software, technology, or technical data ("Items") or services, including without limitation the Export Administration Regulations ("EAR"), International Traffic in Arms Regulations ("ITAR"), and regulations and orders administered by the Treasury Department's Office of Foreign Assets Control (collectively, "Export Control Laws").

The Party conducting the export shall be responsible for obtaining the required authorizations. The Party conducting the re-export shall be responsible for obtaining the required authorizations. Each Party shall reasonably cooperate and exercise reasonable efforts to support the other Party in obtaining any necessary licenses or authorizations required to perform its obligations under this Agreement.

The Party providing any Items under this Agreement shall, upon request, notify the other Party of the Items' Export Control Classification Numbers ("ECCNs") as well as the ECCNs of any components or parts thereof if they are different from the ECCN of the

Item at issue.

Each Party represents that (i) the Items, and the parts and components thereof, it is providing under this Agreement are not "defense articles" as that term is defined in 22 C.F.R. sub section 120.6 of the ITAR. and (ii) the services it is providing under this Agreement are not "defense services" as that term is defined in 22 C.F.R. sub section 120.9 of the ITAR. The Parties acknowledge that this representation means that an official capable of binding the Party providing such Items knows or has otherwise determined that such Items, and the parts and components thereof, are not on the ITAR's Munitions List at 22 C.F.R. sub section 121.1. Each Party agrees to reasonably cooperate with the other in providing, upon request of the other Party, documentation or other information that supports or confirms this representation.

To the extent that such Items, or any parts or components thereof, were specifically designed or modified for a military end use or end user, the Party providing such Items shall notify the other Party of this fact and shall also provide the other Party with written confirmation from the United States Department of State that such Items, and all such parts or components thereof, are not subject to the jurisdiction of the ITAR.

Boeing requires that the provisions/requirements set forth above be included in Sellers direct supply contracts as well as the obligation that they be flowed to the sub-tier supply chain. For purposes of this note, Supply Chain shall mean Seller's direct network of suppliers providing material, equipment, information, and services integrated into products and services.

A98

In addition to the provision set forth in the Code of Basic Working Conditions and Human Rights (<http://www.boeing.com/aboutus/culture/code.html>), seller further commits that any material violation of law by Seller relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, applicable to Seller's performance under this Contract/ Agreement may be considered a material breach of this Contract/Agreement for which Boeing may elect to cancel any open Orders between Orion and the Seller, for cause, in accordance with the provisions of this Contract/Agreement, or exercise any other right of Boeing for an Event of Default under this Contract/Agreement. Seller shall include the substance of this clause, including this flow down requirement, in all subcontracts awarded by Seller for work under this Contract/Agreement.

Q09

SELLER SHALL MAINTAIN, AND HAVE AVAILABLE ON A TIMELY BASIS, QUALITY RECORDS TRACEABLE TO THE CONFORMANCE OF PRODUCT/PART NUMBERS DELIVERED TO BOEING. SELLER SHALL MAKE SUCH RECORDS AVAILABLE TO REGULATORY AUTHORITIES AND BOEING'S AUTHORIZED REPRESENTATIVES. SELLER SHALL RETAIN SUCH RECORDS FOR CALENDAR YEAR + 10 YEARS FROM THE DATE OF SHIPMENT UNDER EACH APPLICABLE ORDER FOR ALL PRODUCT/PART NUMBERS UNLESS OTHERWISE SPECIFIED ON THE ORDER.

At the expiration of such period set forth above and prior to any disposal of records, Seller will notify Boeing of records to be disposed of and Boeing reserves the right to request delivery of such records. In the event Boeing chooses to exercise this right, Seller shall promptly deliver such records to Boeing at no additional cost on media agreed to by both parties.

Boeing requires that the provisions/requirements set forth above be included in Sellers direct supply contracts related to the Products/Part Numbers. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

Q13

SELLER MUST PROVIDE A STATEMENT ON THE PACKING SHEET CERTIFYING ITS QUALITY ASSURANCE DEPARTMENT HAS INSPECTED THE PARTS AND THEY ADHERE TO ALL REQUIREMENTS, APPLICABLE DRAWINGS/SPECIFICATIONS.

OR

WHEN THE SELLER IS LOCATED OUTSIDE OF THE UNITED STATES AND THEY SUBMIT AN EASA/JAA/FCAA FORM-1, THE FOLLOWING CONDITIONS MUST EXIST ON THE FORM:

1. BLOCK 11 STATUS IS IDENTIFIED AS "NEW"
AND
2. BLOCK 12 TITLED "REMARKS" CONTAINS A STATEMENT CERTIFYING THE SELLER'S QUALITY ASSURANCE DEPARTMENT HAS INSPECTED THE PARTS.
AND
3. BLOCK 12 TITLED "REMARKS" DOES NOT CONTAIN CERTIFICATION STATEMENTS OF PMA, PROTOTYPE, NOT TO BE INSTALLED ON CERTIFIED AIRCRAFT, OR ANY STATEMENT THAT DOES NOT SUPPORT PC700 CERTIFICATION.
AND
4. BLOCK 13a "CERTIFIES THAT THE ITEMS IDENTIFIED ABOVE WERE MANUFACTURED IN CONFORMITY TO: APPROVED DESIGN DATA AND ARE IN CONDITION FOR SAFE OPERATION"

Boeing requires that the provisions/requirements set forth above be included in Sellers direct supply contracts as well as the obligation that they be flowed to the sub-tier supply chain.

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BOEING QUALITY MANAGEMENT SYSTEM REQUIREMENTS FOR SUPPLIERS, APPENDIX A

Seller is required to maintain a quality system in conformance with Buyer's document D6-82479, "Boeing Quality Management System Requirements for Suppliers", Appendix A, Quality Management Systems - Requirements for Aviation, Space and Defense Organizations and requirements for Boeing Recognition of Aviation, Space and Defense Quality Management System Accredited Certification/Registration to such document as each may be amended from time to time. Such document and appendix are incorporated herein and made a part hereof by this reference.

Buyer reserves the right to conduct surveillance at Seller's facility to determine that Seller's quality system meets the requirements as set forth herein.

A copy of Buyer's document D6-82479, including all appendices and addenda can be obtained at the following URL address:

<http://www.boeingsuppliers.com/>

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Seller shall comply with Boeing Form X31764, AS/EN/JISQ 9100 flow-down requirements and PO Note management requirements set forth below.

A. Boeing Form X31764

1. Seller shall comply with the requirements of Form X31764 (10/01/2017) "Boeing Quality Purchasing Data Requirements". To ensure Seller is performing to the latest Boeing Form X31764, Seller shall access this form by selecting "Supplier Quality" from the menu bar of "Doing Business with Boeing" home page located at the following URL address: <http://www.boeingsuppliers.com/>. When entering the URL, use lower case letters only. Seller shall flow-down to its Supply Chain the provisions/requirements of X31764.

2. For purposes of this PO Note, "Supply Chain" means Seller's complete network of material, equipment, information, and services integrated into deliverable products and services provided to Seller by Seller's direct first tier supply contracts and Seller's sub-tier or lower tier supply contracts.

B. AS/EN/JISQ 9100 Flow-Down Requirements

In accordance with AS/EN/JISQ 9100, Seller shall flow-down to its Supply Chain the applicable provisions/requirements of AS/EN/JISQ 9100.

C. PO Note Management Requirements

1. Seller shall comply with all PO Notes when required by applicable contractual agreement. Boeing PO Notes are supplemental terms and conditions that consist of both quality and non-quality assurance terms and conditions. Each PO Note is designated by code number, e.g., Q29, S68, A21, etc. PO Notes may apply to the Seller via Boeing Purchase Contract or Purchase Order, and may be referenced by Boeing solicitations and letter agreements. A PO Note may be referred to as "PO Note" or "Note".

2. Boeing may revise the PO Notes from time to time. To ensure Seller is performing to the latest Boeing PO Note, Seller shall access the latest PO Note revisions via the Boeing Partners Network (BPN) Supplier Portal View. "PO Notes" are listed under "My Products". When Seller reviews a PO Note revision, the PO Notes page will reflect the revision as 'Acknowledged' by Seller. Seller shall access on a quarterly basis the latest PO Note revisions via the BPN Supplier Portal by the following dates of the year: 1/15, 4/15, 7/15 and 10/15.

3. The latest PO Note revision identified by the BPN Supplier Portal is effective, and therefore applicable to the Boeing Order as of the revision date of the PO Note, unless otherwise agreed in writing by the parties for the applicable Order.

4. If Seller does not have BPN Supplier Portal access, Seller shall contact the Boeing Procurement Representative and request the latest PO Note text by specifying the applicable PO Note code number. Seller shall make such requests quarterly by the dates specified in above paragraph "2". Upon receipt of such request, Boeing will provide the applicable PO Note text to Seller. If Seller has an ERP purchase order, but no corresponding ERP purchase contract, upon request from Seller, Boeing will provide Seller the full text of each PO Note.

Q31

This procurement is under Boeing's Federal Aviation Administration (FAA) issued Production Certificate 700 quality system supplier control program. Unless explicit contractual direction is given to the contrary, no articles (or constituent parts thereof) ordered by Boeing Commercial Airplanes shall contain any Federal Aviation Administration- Parts Manufacturer Approval (FAA-PMA) markings and the accompanying paperwork (e.g., packages, shippers, etc.) shall not contain any FAA-PMA markings.

THE SELLER WILL PLACE THE FOLLOWING STATEMENT ON THE SHIPPING DOCUMENTATION OF ALL SHIPMENTS TO BOEING:

"Seller hereby acknowledges that the parts and/or materials being shipped under this order are intended for use under Boeing's Federal Aviation Administration (FAA) issued Production Certificate 700 and no articles (or constituent parts thereof) or the accompanying paperwork (e.g., packages, shippers, etc.) contain any Federal Aviation Administration- Parts Manufacturer Approval (FAA-PMA) markings."

APPLICATION NOTE FOR SUPPLIER 1: THE PREFERRED LOCATION FOR THE STATEMENT IS ON THE SHIPPING DOCUMENT, NEXT TO, OR FOLLOWING, THE CERTIFICATE OF CONFORMANCE (C of C). THE STATEMENT MAY BE PRINTED, STAMPED OR ATTACHED AS A LABEL OR STICKER TO THE SHIPPING DOCUMENTATION. IT IS ALLOWABLE TO REPLACE "Seller" WITH THE COMPANY NAME OR "WE".

APPLICATION NOTE FOR SUPPLIER 2: PO NOTE Q31 PUBLISHED ON JANUARY 1, 2017 SHALL BE FULLY IMPLEMENTED

MAY 1, 2018. UNTIL MAY 1, 2018, IF A SUPPLIER HAS NOT ADOPTED THE JANUARY 1, 2017 Q31 NOTE, THEN THE SUPPLIER MAY INCLUDE THE FOLLOWING Q31 NOTE TEXT REVISED JANUARY 1, 2016: "SELLER HEREBY ACKNOWLEDGES THAT THE PARTS AND/OR MATERIALS BEING SHIPPED UNDER THIS ORDER ARE INTENDED FOR USE UNDER BOEING'S FEDERAL AVIATION ADMINISTRATION (FAA) ISSUED PRODUCTION CERTIFICATE 700." NOT WITHSTANDING THE MAY 1, 2018 FULL IMPLEMENTATION DATE, ALL SELLER SHIPMENTS SHALL BE CONSISTENT WITH THE FOLLOWING STATEMENT: NO ARTICLES (OR CONSTITUENT PARTS THEREOF) ORDERED BY BOEING SHALL CONTAIN ANY FEDERAL AVIATION ADMINISTRATION PARTS MANUFACTURER APPROVAL (FAA-PMA) MARKINGS AND THE ACCOMPANYING PAPERWORK SHALL NOT CONTAIN ANY FAA-PMA MARKINGS.

Boeing requires that the provisions/requirements set forth above, as determined by the Seller to be applicable, be included in Seller's direct supply contracts as well as the obligation that they be flowed to the sub-tier supply chain. For purposes of this note, Supply Chain shall mean Seller's complete network of material, equipment, information, and services integrated into products and services. It focuses on direct and all lower-tier suppliers.

Q48

Seller shall perform First Article Inspections (FAIs) in accordance with AS/EN/SJAC 9102 and unless otherwise specifically authorized in writing by Boeing, seller shall document within the Boeing licensed Net-Inspect software.

Boeing requires that the FAI provisions and requirements set forth related to the compliance with AS/EN/SJAC 9102 be included in Sellers direct supply contracts as well as the obligation that they be flowed to the sub-tier supply chain. For purposes of this note, Supply Chain shall mean Seller's direct network of suppliers providing material, equipment, information, and services integrated into products and services. Furthermore where Seller is required to document FAIs in the Net-Inspect software, FAIs of the Seller's supply chain shall also be documented in Net-Inspect.

S68

REPRESENTATIVES OF BOEING AND/OR THE FEDERAL AVIATION ADMINISTRATION (IF NON DOMESTIC, BOEING AND/OR THE FEDERAL AVIATION ADMINISTRATION AND/OR EQUIVALENT FOREIGN CIVIL AVIATION AUTHORITIES) MAY INSPECT AND EVALUATE SELLER'S FACILITIES' SYSTEMS, DATA, EQUIPMENT, PERSONNEL AND ALL COMPLETED ARTICLES MANUFACTURED FOR INSTALLATION ON BOEING COMMERCIAL PRODUCTION AIRPLANES. RIGHT OF ENTRY/ACCESS INCLUDES MEETING THE REQUIREMENTS OF THE FAA AND/OR APPLICABLE EQUIVALENT FOREIGN CIVIL AVIATION AUTHORITIES TO PERFORM OVERSIGHT OF THE FACILITY.

Boeing requires that the provisions/requirements set forth above be included in Sellers direct supply contracts as well as the obligation that they be flowed to the sub-tier supply chain.

S78

PARTS RETURNED TO THE SUPPLIER UNDER THIS ORDER FOR REWORK/REPAIR WILL BE ACCOMPANIED BY PROOF OF SUPPLIER'S INSPECTION ACCEPTANCE WHEN RESUBMITTED TO BOEING. WHEN NO FAULT IS FOUND BY THE SUPPLIER FOR NON-CONFORMING PRODUCT(S), THE ORDER WILL BE ACCOMPANIED BY PROOF OF SUPPLIER'S TEST DATA AND INSPECTION ACCEPTANCE. RESUBMITTED PARTS WILL ALSO BE ACCOMPANIED BY A COPY OF OR REFERENCE TO THE APPLICABLE BOEING NONCONFORMANCE DOCUMENT(S). Boeing requires that the provisions/requirements set forth above be included in Sellers direct supply contracts as well as the obligation that they be flowed to the sub-tier supply chain. For purposes of this note, Supply Chain means Seller's direct network of suppliers providing material, equipment, information, and services integrated into products and services.

T88

Definition. "Ozone-depleting substance," as used in this clause, means any substance the Environmental Protection Agency designates in 40 CFR Part 82 as--

- (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or
- (2) Class II, including, but not limited to hydrochlorofluorocarbons.

Seller shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E, as applicable:

Warning

Contains * _____, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.

Warning

Manufactured with * _____, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.

* Seller shall insert the name of the substance(s).

Boeing requires that the provisions/requirements set forth above be included in Seller's direct supply contracts as well as the obligation that they be flowed to the sub-tier supply chain. For the purpose of this note Supply Chain shall mean Seller's direct and indirect suppliers performing value-added activity on the products and services. It focuses on direct and lower-tier suppliers.

4.4 Supplier/Subcontractor Development

All materials, parts, assemblies and services used directly in or to support the manufacture of ORION products are procured from approved sources, Supplier/Subcontractors are approved based on their ability to supply product in accordance with ORION's specified requirements. The quality, price, availability, risk and the company's willingness to cooperate with and service its customers are determining factors in the selection of an "Approved ORION Supplier". Approved Suppliers/Subcontractors have earned ORION's confidence in their product quality and performance, resulting in reduced product verification requirements, rapid product acceptance and receipt, and a much greater potential for future business. ORION desires to develop long-term mutually beneficial relationships with all of its Suppliers/Subcontractors. We welcome your comments, suggestions and questions in regards to this manual or any other aspect of doing business with ORION.

5. Flow Charts and Diagrams

None developed at this release.

6. Record Retention Requirements

The following record requirements apply to all suppliers, subcontractors, sub-tier suppliers and PO's:

Records shall be maintained as objective evidence of conformance to PO requirements, including Seller's records and certifications of inspections and tests performed in the course of procurement, manufacturing, testing, processing, inspecting, preserving, packaging and shipping product(s) on the PO for a minimum of 12 years from the date of purchase. ORION and/or ORION's customers or government representatives shall have access to all applicable records for this same length of time. Records shall not be destroyed without the written consent of ORION Quality. All records retained to demonstrate product conformity shall be provided in English.

7. Record of Revisions

orig.	All	Original Issue	10/03/03	N/A
A	All	Removed "Key Diversified Contacts" from clause 4.5	01/08/08	Jeanette Sicklovan
B	All	Page 2 clause 1.2 revised scope, added " This also applies to the Suppliers/Subcontractor's Sub-tier suppliers/subcontractors", Page 2 clause 2.1 removed revision level from AS9100 and ISO 9001, Page 3 Clause 4. changed title from "Procedure" to "Requirements", Page 3 clause 4.1 added the requirement for suppliers/subcontractors to flow down the requirements to sub-tier suppliers, Page 5 clause 4.3.1 Control of Changes revised to add the requirement that "The supplier/subcontractor must notify and obtain written approval from Diversified's purchasing agent prior to making any change in Product, Material, design details and or process definition"	02/09/09	Jeanette Sicklovan
C	All	Clause 1.1 revised 1 st paragraph, clause 2.3 added form# F P 8.2.2-1-6, Added clarification of who requirement applies to throughout as appropriate, clause 4.3.1 revised second paragraph, added paragraph 4, 5, 6, 7, 8, 9, 17, 18. added requirement for FAI's to be conducted in accordance with AS9102. Revised clause 6 to extend record retention minimum to 10 years.	05/03/10	Jeanette Sicklovan
D	All	Table of contents, revised page#'s as appropriate. Clause 4.1 added e-mail as evidence of PO acknowledgement. Clause 4.3.1 added "Suppliers and Subcontractors shall be responsible for maintaining an acceptable quality and on-time delivery rating (90% or above) measured for a 12 month period as specified by Diversified"; Revised right of entry statement" MSDS paragraph added "all hazardous materials".	10/29/11	Jeanette Sicklovan
E	All	Table of contents revised page numbers as appropriate, clause 4.3.1 (Control of changes) added "Supplier/Subcontractor must notify and obtain written approval from Diversified's purchasing agent prior to making any change of suppliers. Supplier/Subcontractor must notify Diversified of any changes of manufacturing facility location",	01/26/12	Jeanette Sicklovan

		clause 4.3.1 (First Article Inspection) added” (additional charges must be authorized prior to shipment)’. Clause 4.2.1 revised packaging weight requirement from 150 Lbs. to 75 Lbs per package. Clause 4.3.1; added to the 1 st paragraph that items may be rejected at the supplier / subcontractor’s expense. 1 st bullet; added “Diversified’s Top” suppliers as appropriate. Added 2 nd bullet as appropriate “All other Suppliers and Subcontractors shall be responsible for maintaining an acceptable quality and on-time delivery rating measured for a 12 month period as specified by Diversified.”	10/01/12	Jeanette Sicklovan
G	All	Clause 4.3.1; (First Article Inspection paragraph) revised to meet the requirements of AS9102B. Clause 4.3.2; removed (Diversified source inspection) paragraph (QR1), re-formatted QR numbers and added QR3. Clause 4.4 revised to state “Supplier/Subcontractors are approved based on their ability to supply product in accordance with DIVERSIFIED’s specified requirements. The quality, price, availability, risk and the company’s willingness to cooperate with and service its customers are determining factors in the selection of an “Approved DIVERSIFIED Supplier”. Clause 6.0 revised record retention time to 12 years.	12/11/15	Jeanette Sicklovan
H	All	Revised company name throughout for integration with ORION. Added requirements for purchases of electronic components.	09/15/16	Jeanette Sicklovan
I	All	Removed purchases paragraph to remove requirements for purchases of electronic components as requirements do not apply to us.	01/25/17	Jeanette Sicklovan
J	All	Reformatted document. Clause 4.3.1 updated supplier/Subcontractor Requirements Instruction paragraph. Updated Quality System paragraph. Updated Certificate of Conformance paragraph. Added Supply Chain Traceability. Updated Manufacturer Certificate of Conformance paragraph. Added Counterfeit Parts, Foreign Object Debris/Damage Control Program, Awareness. Clause 4.3.2 added QR 4. Added clause 4.3.3.	12/14/17	Jeanette Sicklovan